FINANCIAL TIMES

No. 29,763 *** Saturday October 26 1985

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WORLD NEWS

Argentina declares emergency

Argentina declared a state of siege for 60 days empowering it to detain without trial people suspected of conspiring against the country.

The move is an attempt to quell the protests provoked by the arrest of 12 people allegedly linked to a terrorist campaign which has cast a shadow over next month's mid-term elections. Back Page

Police chief to leave

Derbyshire's Chief Constable Alf Parrish, who is being investigated by a disciplinary tribunal for aleged unauthorised spending, is to be compulsorily retired. The Home Office said his illness was delaying the hearing and the move was in the interests of efficiency.

Secrets trial acquittals

Two more British servicemen were acquitted at the Old Bailey of passing secrets to the Soviet Union while on duty in Cyprus. Two of the seven accused in the 116-day trial still await verdicts.

Tambo rules out truce

African National Congress leader Oliver Tambo, at a Commons press conference, rejected any possible truce with the South African government. Page 3; Dawn raid, Page 2

Ulster ransom paid

A bank manager in Co Tyrone, Ulster, paid a £6,000 ransom for the release of his wife earlier this week after gunmen abducted her from the couple's home, police said yesterday.

Hovercraft inquest

Verdicts of accidental death were returned on four people killed when a hovercraft crashed in Dover in March.

Iranian cabinet battle

Iran's Premier Hussein Moussavi won a battle with President Ali Khamenei to choose the cabinet to be presented to parliament tomorrow. Page 2

Yacht murder charges

A Briton, a Syrian and a Jordanian were charged in Cyprus with the murder of three Israelis on a yacht at Larnaca marina last month.

Prost's speeding fine

French racing driver Alain Prost, the world champion, was fined FFr 1,200 (£104) for driving at 108 mph on a highway in southern France with a limit of 50 mph.

Halley's Comet tour

British Airways' Concorde is to make its first flight from the UK to New Zealand on April 5 next year with passengers paying £9,200 each to view Halley's Comet from an observatory near Queenstown.

Kasparov extends lead

World chess champion Anatoly Karpov conceded the 19th game of his title match in Moscow to Garry Kasparov, who leads by 10½ points to 8½ with five games left.

Actor Gary Holton, who played Wayne in the TV comedy series Auf Wiedersehen Pet, died aged 33.

British summer time ends at 2.00 am tomorrow. Clocks should be put back one hour to 1.00 Greenwich mean time.

BUSINESS SUMMARY

Government defends use of oil wealth

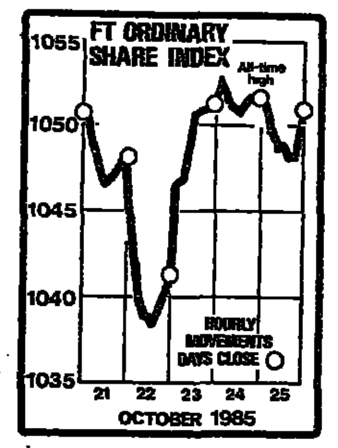
GOVERNMENT has defended its handling of Britain's oil wealth, countering Opposition claims that N. Sea revenues have been squandered. Back Page

Mr John Moore, Financial Secretary to the Treasury told the oil industry executives the £62bn oil revenues and asset sales had been widely and prudently invested.

The balance of payments had shown a surplus for five years in a row, its best run since 1945, and would continue to benefit long after oil output itself had started to decline.

CHINA, Britain and France have failed to agree the price of participation in a $4bn (£2.812bn) nuclear power plant in Guandong province. The Chinese say they may negotiate with other foreign companies. Back Page

EQUITIES traded at a near record highs all week, and it was only word of problems in the electronics industry world-



wide that left the FT Ordinary Share index below its best at 1,050.8, down 0.8 on the day. Page 20

GENERAL ELECTRIC managing director Lord Weinstock has ordered a review of the company's public image following criticism in the City and Whitehall that GEC was not acting aggressively enough to invest its £1.4bn cash mountain. Back Page

GEC Computers has won a contract to equip and develop Italy's videotex system. Page 3.

FORD UNIONS rejected a 5 per cent pay offer for about 10,000 line workers and 3 per cent for others among the 37,500 hourly-paid workers. Page 5

FORD'S heavy expenditure on sales incentive programmes and the cost of introducing a model have cut profits in the third quarter by 17.5 per cent to $313.1m (£220m). Page 9

PEUGEOT, the French car maker, made its parent company a net profit of FFr 141m (£12.26m) in the first half, after a FFr 406m loss a year earlier. Page 9

BRITISH RAIL has awarded one third of a new £24m order for 69 lightweight diesel trains to a private bus and coach-builder, Walter Alexander. Page 3.

U.S. STEEL, the biggest U.S. steel producer, has confirmed that it is holding take-over talks with Texas Oil and Gas. Page 9.

HENRY BOOT AND SONS, the construction, engineering and property group, reported a pre-tax loss of £4.9m first half against a £497,000 profit last time. Page 8.

HOPKINSONS HOLDINGS, maker of boiler mountings and valves, saw pretax profits in the six months to the end of July improve by 21 per cent to £3.1m. Page 8.

Shultz plans Moscow talks to resolve summit differences

BY REGINALD DALE, U.S. EDITOR, IN NEW YORK

MR GEORGE SHULTZ, the U.S. Secretary of State, is to go to Moscow early next month to try to resolve "major differences" between the superpowers before the summit in Geneva between President Ronald Reagan and Mr Mikhail Gorbachev, the Soviet leader, on November 19 and 20.

Mr Shultz said he would make the trip—on November 4 and 5—after two hours of talks in New York yesterday with Mr Eduard Shevardnadze, the Soviet Foreign Minister, to review summit preparations. Mr Shultz said he would discuss the summit, at Soviet invitation, with both Mr Gorbachev and Mr Shevardnadze.

It was also announced yesterday that Mr Reagan would go directly from Geneva to Brussels on November 21, to give a first hand report on the summit to the North Atlantic Treaty Organisation allies at a special meeting. A brief Nato statement did not say, however, whether other allied leaders would attend.

In New York, Mr Shultz and Mr Shevardnadze indicated that they had made some progress in refining the summit agenda, but left no doubt that the two sides were still far from agreement on issues of substance.

Assessing progress, a senior U.S. Administration official would say no more than that the two sides could "now see the range of topics of conversation. One has to stop right there."

Mr Donald Regan, the White House Chief of Staff, said in a television interview that the U.S. would soon respond to the Soviet Union's recent proposal for a 50 per cent reduction in strategic nuclear weapons.

It was not clear, however, whether this would take the form of a new arms control proposal or simply a "repackaging" of the previous U.S. position. A number of allied leaders who met Mr Reagan at an informal Western summit in New York on Thursday have urged him not to let Mr Gorbachev have the last word on arms control before the summit.

Mr Shultz yesterday insisted that the U.S. Administration had taken no final decision on the "appropriate response" to Mr Gorbachev. White House officials have said that Mr Reagan is likely soon to make an important public statement on arms control, a subject he barely touched on in his speech on U.S.-Soviet relations to the United Nations General Assembly on Thursday.

Mr Shultz welcomed a call by Mr Shevardnadze, in a speech to the UN on Thursday, for an "agreement in principle" on arms control at the summit. He added, however, that whatever Mr Reagan and Mr Gorbachev might accomplish, there would still be "a great deal of work to do in future" by the two countries' specialist arms control negotiators.

Mr Shultz said that while he and Mr Shevardnadze had made some progress in their talks yesterday, "I would have to say that there are major differences that need to be resolved, and we hope that some of them may get resolved" before the summit.

Mr Shevardnadze said that while there had been "certain positive moments" in his meeting with Mr Shultz, there had also been differences of view. However, both sides were dedicated to contributing to a successful outcome in Geneva.

Senior U.S. officials said Mr Shultz had amplified and clarified Mr Reagan's proposals for resolving regional conflicts in Afghanistan, Kampuchea, Ethiopia, Angola and Nicaragua.

Mr Shevardnadze, however, had done no more than say that Moscow would study the plan, under which Mr Reagan called on the Soviet Union to abandon attempts to expand its global influence by "force and subversion."

Editorial Comment, Page 6

Japanese bonds plunge after Yen defence warning

BY CARLA RAPOPORT IN TOKYO

GOVERNMENT BOND prices plunged in Tokyo yesterday following a warning from the Bank of Japan that it will continue to drive short-term interest rates higher and defend the value of the yen against the dollar.

The 6.8 per cent 68th long-term government bond, a key indicator of trading on the Tokyo Stock Exchange, dropped Y4.03 to Y103.38 yesterday, the sharpest drop in one day since April, 1980. The yield on the bond jumped 0.640 points to 6.22 per cent, rising to 6.5 per cent in later London dealings.

Short-term interest rates surged, with call, bill discount and other interbank rates moving above 7 per cent. The discount rate on one-month bills hit its highest level for three years.

The sharp drop in bond prices sent the Tokyo stock market into a tailspin yesterday afternoon. The Nikkei Stock Average of 225 selected stocks dropped 114.09 to 12,854.99 after hitting a record high of 13,056.48 in the morning.

Mr Satoshi Sumita, governor of the Bank of Japan, warned on Thursday that the recent surge in bond market trading was extremely speculative. He cautioned financial institutions and securities firms that they risked large losses should the market turn against them. There was no confirmation yesterday of reports that at least one Tokyo bank had suffered heavy losses.

The central bank chief also indicated that the BoJ was ready to lead short-term interest rates higher to defend the yen's value. This undermined recent market hopes of lower rates, which had been fuelling recent advances.

The higher money market rates yesterday prompted foreign banks to sell dollars, with the result that the dollar eased to Y214.90 on the day, compared to the previous day's close of Y216.35.

Our Financial Staff writes: London Euroyen bond traders marked their books down sharply, with the prices of some issues falling by 4 percentage points.

Some buying interest was seen, however, as short positions were closed at a profit.

Prices in the gilt-edged market also fell in response to the events in Tokyo, with long-dated stocks showing losses of about ½ point.

Traders said the action by the Japanese authorities to push up short-term interest rates had generated speculation that they would also seek to limit capital outflows over coming months.

That in turn could restrict Japanese purchases of UK bonds, which have been relatively buoyant so far this year.

New York bond prices steadied after opening falls of about half a point, and traders were sceptical of suggestions that the developments in Tokyo might reduce Japanese demand for U.S. Treasury bonds.

Little selling was reported, while some demand was seen for zero coupon issues.

Wall Street, Page 10; Lex, Back Page

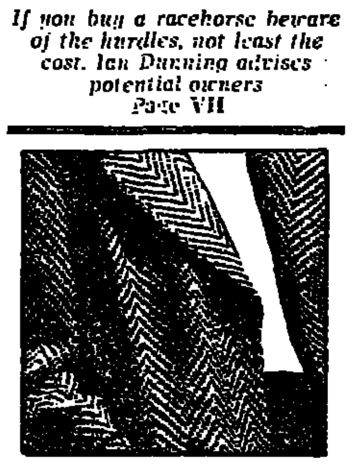
WEEKEND FT

RADICAL CITY

In an extract from a new book John Plender and Paul Wallace explain the causes of the City revolution Page I

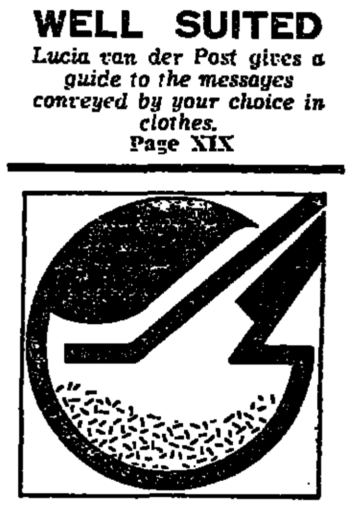
HORSE SENSE

If you buy a racehorse beware of the hurdles, not least the cost. Ian Dunning advises potential owners Page VII



WELL SUITED

Lucia van der Post gives a guide to the messages conveyed by your choice in clothes. Page XIX



WHOLE DOC

Homeopathic practitioners consider the whole person. Joy Melville tries out the treatment Page XVIII

Tin trade suspended until council meets next week

BY STEFAN WAGSTYL, CHRIS SHERWELL AND WONG SULONG

MEMBERS of the International Tin Council are urgently reviewing the future of the producers' and consumers' group, whose efforts to support prices have plunged the tin market into turmoil.

A meeting of delegates of ITC members began in London yesterday. There will be an emergency two-day meeting of the full council on Tuesday and Wednesday.

Tin trading on the London Metal Exchange, the leading metals market, which has been suspended since Thursday morning, is unlikely to be resumed before the outcome of the meeting has become known. The LME said yesterday that trade was officially suspended until the end of Monday, when a further announcement would be made. The Kuala Lumpur tin market has been halted until further notice.

The crisis blew up when the ITC's buffer stock manager, who runs the price support scheme for the metal, told the LME he had run out of money to keep tin above his official floor price of 29.15 Malaysian ringgits a kg, the equivalent of £8,500 a tonne. In defending the price, he has built up a 62,000-tonne stockpile, worth about £500m, funded by an estimated £200m from members and the rest by borrowings.

Early indications are that producer members of the ITC—which include Malaysia, Indonesia, Thailand and Australia—will try to shore up the price pact. Their first step might be to pay an extra £60m, as agreed last month in Canberra by a meeting of the Association of Tin-Producing Countries (the producer members of the ITC).

Datuk Paul Leong, Malaysia's Primary Industries Minister, said yesterday that the international tin market—and with it the International Tin Agreement—would collapse without close co-operation among producers and consumers.

Subroto, Indonesia's Mining Minister, said he would be in touch with Datuk Leong at the weekend. An Indonesian state mining company official said the country would honour the Canberra pledge if others were to do the same.

The Australian government said it was also reviewing an early cash contribution.

As well as extra cash, the meeting could consider lowering the official floor price. It might reduce only the London price, which has been under particularly heavy pressure in recent weeks because of the rise of sterling against the U.S. dollar.

The ITC is likely to renew its efforts to persuade non-ITC producer countries, especially Brazil, to join the price pact. But Mr Samuel Hanan, chairman of Brazil's national tin producers' organisation, said yesterday that the country did not intend to revise its export policy or join the ITC yet.

The UK is also a tin producer, with about 1,000 people mining less than 7,000 tonnes a year in Cornwall. The UK belongs to the ITC, but only as a consumer member because it argues that its output is too small for it to be classed as a producer.

The effects of any price reduction, controlled or not, would be felt most acutely at the London Metal Exchange, where a number of traders are said to face potential losses running into tens of millions of pounds. Individual bankruptcies could rock the whole exchange because defaulting members could not meet their obligations to other traders. "It could all collapse like a house of cards," said one trader.

The Bank of England, which has been kept informed by the LME, is understood to be keeping a close eye on events concerning the exchange, the traders and their bankers.

Man in the news, Page 6; Commodities, Page 11

Minebea rebuffs hostile foreign takeover bid

BY CARLA RAPOPORT IN TOKYO AND FRANK KANE

JAPAN yesterday faced the first hostile takeover bid to be mounted by a foreign group. The move surprised Japanese business and government leaders by its audacity and by what many described as its naivety.

At the Tokyo Stock Exchange, a representative of Trafalgar Holdings, a U.S.-based investment company, and Glen International Financial Service, an investment group with London headquarters, confirmed that they had submitted a written offer to purchase all the shares of Minebea—Japan's largest precision ball-bearing company. The offer, at 900 yen (£2.91) a share, values Minebea at $1.4bn (£984m).

Minebea's flambuoyant president, Mr Takami Takahashi, condemned the move as "100 per cent nonsense." He added: "They (Glen and Trafalgar) are like children. They understand nothing about Japan."

As Trafalgar-Glen hold a significant stake in Minebea, many in Tokyo believe the bid is merely an attempt to "greenmail" Minebea—that is to force it to buy back the aggressor's shares at an inflated price.

There is "no outright law against hostile takeover bids in Japan, but such a bid would have to be approved by Japan's Ministry of Finance.

The Japanese Ministry is understood, however, to view

Continued on Back Page

Racal shares hit by problems in Florida

BY JASON CRISP

RACAL'S share price slid 18p to 124p yesterday on the disclosure in London of problems at Racal-Milgo, its data communications subsidiary in Florida. It recovered later to 128p.

Most of the information had been given by Racal 10 days ago to City analysts—when the shares were at 152p—and was formally announced in the U.S. on Tuesday. The company did not confirm the news in London until yesterday lunchtime after its share price had already fallen sharply.

The company said it had not made an announcement to the London Stock Exchange earlier because it did not think the information was price-sensitive.

Other factors affecting Racal's shares were a lowering of profit forecast by Scrimgeour Kemp Gee, the company's brokers, to £100m in the current financial year and uncertainties caused by the sale of 90,000 shares earlier in the week by one of the company's non-executive directors who is to retire shortly.

The announcement yesterday confirmed that Racal-Milgo was expecting a fall in sales and was cutting 250 of its 3,000 workforce and restructuring its organisation as a result.

Racal-Milgo has had sales of about $300m a year and has been hit by the fall in demand for computers in the U.S. which has resulted in lower orders for computer communications.

Racal-Milgo is the largest supplier of data communication equipment in the U.S. and faces increasing competition from U.S. companies like Infotron, Paradyne, Timeplex and Codex, which is part of Motorola. Some have recently reported lower profits.

Sir Ernest Harrison, chairman and chief executive of Racal, wrote last July in the annual report and accounts: ". . . subject to there being no weakening of the U.S. economy that company (Racal-Milgo) is confident of having another good year."

The new problems at Racal-Milgo follow the recent difficulties at Racal-Vadic, a Californian subsidiary. Since January it has cut its 1,000-strong workforce by 500 and is now expected to break even in the last quarter of the current financial year and return to profitability in 1986.

Lex, Back Page

FT 500—in Europe and UK

The FT today publishes the annual FT 500—a survey of the top 500 European and the top 500 UK companies, ranked by market capitalisation.

For the first time the survey also covers the top 100 UK investment trusts.

We look at which companies have performed best on Europe's stock markets in the past year — and those which have done worst. The eight-page survey appears as an inset in the Weekend FT.

MARKETS

DOLLAR

New York lunchtime
DM 2.6522
FFr 8.0850
SwFr 2.1720
Y214.85

London:
DM 2.6530 (2.6495)
FFr 8.0850 (8.0750)
SwFr 2.1720 (2.1710)
Y214.8 (216.85)

Dollar index 130.8 (131.2)
Tokyo close Y214.9

U.S. LUNCHTIME RATES

Fed Funds 7⅝% (8⅛)
3-month Treasury Bills: 7.225% (7.24)
Long Bond: 101.44 (102.16)
yield: 10.47 (10.39)

GOLD

New York: Comex Dec latest $329.4
London: $325¼ ($326¼)

STERLING

New York lunchtime $1.4215
London: $1.4225 (1.4215)
DM 3.7750 (3.7650)
SwFr 3.09 (3.085)
FFr 11.5 (11.4775)
Y 305.5 (306)
Sterling index 80.5 (80.7)

LONDON MONEY

3-month interbank: closing rate 11⅝% (same)
3-month eligible bills: buying rate 11 11-64% (11⅛)

STOCK INDICES

FT Ind Ord 1,050.8 (−0.8)
FT-A All Share 656.66 (656.81)
FT-A long gilt yield index: High coupon 10.25 (10.17)
FT-SE 100 share index 1,347.6
FT-SE 100 1,347.6 (1,349.6)
New York lunchtime: DJ Ind Ave 1,358.31 (−4.03)
Tokyo: Nikkei Dow 12,854.99 (−114.09)

Chief price changes yesterday, Back Page

SELLING PRICE IN IRELAND 55p

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For London market and latest share index 01-246 8026; overseas markets, 01-246 8086

South African police arrest 50 in dawn raid

BY OUR FOREIGN STAFF

SOUTH AFRICAN police arrested 50 people in a dawn raid in Cape Town yesterday in the wake of violent clashes in the city centre.

In Durban two black men suspected of planting a bomb at a girls' high school were killed when it exploded on Thursday night. The school was to be a polling booth in one of the five by-elections for white parliamentary seats due to take place next Wednesday.

Shortly before the bomb exploded Mr Pik Botha, Minister of Foreign Affairs, and Mr Andries Treurnicht, leader of the extreme Right Conservative Party, had addressed nearby election rallies. Five parties are contesting the by-election in the Durban constituency of Port Natal, held by the ruling National Party.

Many of those arrested in the Cape Town raid following clashes on Thursday are thought to be local leaders of the United Democratic Front, the country's leading anti-apartheid coalition.

In a statement yesterday the Front warned the arrests would provoke a response which security forces might be unable to handle. "The ball is squarely in the courts of the state," said the statement. "We advise the Government to cease this reign of terror to avert further detention and conflict. The UDF demands the immediate and unconditional release of all detainees."

At least 27 people have died in clashes with police in black and coloured (mixed race) townships over the past three weeks.

Cape Town was not among the 36 districts declared under a state of emergency declared on July 21 by Mr P. W. Botha, the South African President. This week Mr Botha announced the decree would be lifted in six districts, but warned that emergency measures would be adopted in other areas should it prove necessary, prompting speculation that Cape Town might be brought under the tough emergency laws.

The arrests also brought criticism from the opposition Progressive Federal Party (PFP). It said yesterday that "detention of leaders means that the leadership vacuum is increasingly filled at the level of gangs in the street."

Political unrest has also continued in Johannesburg, where many black students boycotted school exams and gathered in the streets outside their classrooms in the black township of Soweto.

In the city centre yesterday shop windows in two streets were smashed and the contents looted. A gang of 50 black youths who were responsible ran off before police arrived.

Khomeini . . . backed reformers.

Moussavi wins Iranian Cabinet struggle

BY KATHY EVANS IN DUBAI

IRANIAN Prime Minister, Hussein Moussavi, has emerged the victor from a week-long struggle with President Ali Khamenei to nominate ministers of his own choosing in the new Cabinet.

The 24-man Cabinet will be presented to parliament tomorrow and is considered by observers to be, like Mr Moussavi himself, radical reformist. This contrasts with the conservative faction led by President Khamenei. The Prime Minister's victory is likely to chart a new course in the Iranian economy and political scene for the next few years.

The reformist faction in the Iranian revolution believes priority should be given to satisfying the needs of the "Mostazafin" or the deprived. Its members support radical land reform, continued confiscation of property and the establishment of large state organisations to operate in strategic areas of the economy.

For the last 18 months or more, it has been the conservative faction which has had the upper hand in Iranian politics. In May 1984 it won the majority of seats in parliament in the general election.

This faction is generally considered to be more pro-private sector in its thinking than the radicals and its members argue that the reformists' ideology is socialist in tone, and therefore un-Islamic.

Last week President Ali Khamenei let it be known that he would not approve half of the ministers proposed by Mr Moussavi. Constitutionally the ministers have to be approved by him before the names are submitted to parliament. But the founder of the Islamic revolution, Ayatollah Khomeini, had come out in support of the Prime Minister and the reformist faction.

Khomeini chastised parliamentary deputies who voted against approving Moussavi as Prime Minister in a recent vote of confidence. Deputies should support government and show unity in times of war, Khomeini said.

Shortly after Khomeini's statement, a demonstration took place by theology students in Oman protesting against deputies opposed to Mr Moussavi. Ayatollah Hussein Montazeri, the likely successor to Khomeini, told the demonstrators "the nation cannot tolerate any opposition to the leader of the revolution." He ordered all deputies to obey Khomeini's commands.

Recent speeches in parliament suggest that a vote against Mr Moussavi would be equated with a vote against Khomeini and the revolution.

Given such clear orders, the Iranian parliament is expected to take only two days to approve the individual ministers. By the beginning of next week, the country should have a new Government.

● Mr Gholamreza Aghazadeh, a former deputy Prime Minister, and known to be a close aide of Mr Moussavi will become Oil Minister. He will replace Mr Mohammed Gharazi, who has been in the job for the past five years.

● Mr Hojatolislam Ali Akbar Mohtashemi, a former ambassador to Syria will become Minister of Interior. He is known to be very close to the Syrians and the Islamic forces in Lebanon.

● Mohammed Rafsanjani, brother of the powerful Speaker of parliament, is expected to take up the post of ambassador to Syria.

● Mr Mohammed Taqi Banki, a US educated technocrat, has been brought in as Energy Minister and Mr Masoud Zanjani Roughani, a former university lecturer, has been nominated as head of the Planning Ministry.

Salvadorean prisoner swap lifts peace hopes

THE highly complex prisoner exchange involving the release of Sra Ines Duarte Duran, the daughter of Salvadorean President Jose Napoleon Duarte, passed off smoothly yesterday.

The exchange followed more than a month of negotiations between the President and members of the guerrilla coalition, with the Catholic Church as intermediary and the active help of at least five foreign governments.

The apparent success of the operation, which involved a considerable amount of good faith on both the government side and the five guerrillas groups which comprise the Farabundo Marti National Liberation Front (FMLN), has helped create a sense of optimism over renewing negotiations for an end to the civil war in El Salvador.

Criticism of President Duarte that he conceded too much to secure the release of his 35-year-old daughter and her companion has been muted.

Sra Duarte Duran was kidnapped on September 10. To secure her release, it was eventually agreed to exchange 22 political prisoners and 96 wounded guerrillas.

The FMLN, for its part also undertook to release 33 government officials, including 23 mayors, kidnapped over recent months. The rebel radio, Radio Venceremos, yesterday described the exchange as a "strategic victory."

The exchange began on Thursday with the release of the President's daughter and friend at Tenancingo, 25 miles from the capital San Salvador in a mountain area controlled by the guerrillas.

By late yesterday most of the mayors kidnapped had been handed over and the FMLN prisoner exchange completed.

Of the political prisoners, 18 opted to return to rebel-held areas inside El Salvador, three left for Cuba via Panama, and one, a Costa Rican pilot captured in 1981, was handed over to his country's embassy.

The wounded prisoners, some on stretchers, left on an aircraft for Panama, where the majority will be flown to France, Sweden and West Germany.

AEG offers to participate in Star Wars

BY LESLIE COLITT IN BERLIN

ONE of Europe's leading electrical companies, AEG, has publicly declared its readiness to participate in the controversial U.S. Strategic Defence Initiative programme initiated by President Reagan.

Herr Heinz Duerr, chief executive of AEG, said the company was equipped to take part in SDI, commonly known as Star Wars, because of its advanced technology in several areas essential to the programme. He noted the basic technological concept for SDI went back to the mid-1960s and called the discussion in West Germany over President Reagan's "political idea" a misplaced one.

AEG is the leading European manufacturer of solar cells for satellites, of which it has equipped about 30 including several owned by U.S. companies.

Herr Duerr said AEG was also in the forefront of millimetre wave communications which allows an enormous reduction in the size of satellite antennae. In addition he said the company was prepared to offer its extensive know-how in optical communications technology. This involves lasers which would transmit signals to observation satellites in the SDI programme.

Herr Duerr said the total amount of work on SDI being offered to European companies was worth about \$100m (£70m) compared with billions of dollars which would go to U.S. firms. He added that no contract had yet been signed with either his company or others in Europe.

AEG said it regarded possible participation in the Strategic Defence Initiative as a continuation of its previous work in the U.S. space programme.

There appeared to be little concern that an SDI involvement might endanger AEG's business with the Soviet Union and its East European allies. The West German company was one of the West European manufacturers which ignored President Reagan's embargo on supplying turbine rotors to pumping stations on the Soviet Union's Orenburg gas pipeline.

Daimler-Benz last week announced its decision to take over AEG, thus creating West Germany's largest company with combined sales last year of DM54.5bn (£14.5bn). AEG had a turnover in 1984 of DM 11bn and produced its first operating profit in years of DM 100m.

Peres says he is ready to talk to Syrians

MR SHIMON PERES, the Israeli Prime Minister, who has offered to open direct peace talks with King Hussein of Jordan and Palestinian representatives, said yesterday he was ready also for direct negotiations with the Syrians, AP reports from Paris.

"If the Syrians are ready, we are ready too," the Prime Minister told reporters at a news conference during his one-day stopover in France. "I am serious."

Mr Peres added, however, that he did not believe such talks were a real possibility now. "I don't have the slightest indication that the Syrians are looking for a negotiating position," he said.

He also reported Israel's rejection of any talks with the Palestine Liberation Organisation. "Contrary to the assumption that they have become moderate, they have augmented terrorism," he said.

Mr Peres made his offer for negotiations with Jordan during a speech at the United Nations. Some observers saw the offer as an attempt to split Jordan away from the PLO and to put an end to the February 11 Jordanian-Palestinian accord for a joint peace effort in the Middle East.

The PLO has rejected Mr Peres' idea as "another version of the Camp David accords." King Hussein has said he has problems with the proposal, but applauded "the spirit" of the offer.

The King has said he is ready to talk to Israel within the framework of an international peace conference.

Mr Peres did not completely reject that idea. Israel wanted direct negotiations with Jordan without any preconditions, but if Jordan was looking for international help in the negotiations, Israel would help King Hussein find it.

"You have to look at each participant," he said. "For example, the Soviet Union. If the Soviet Union doesn't renew diplomatic relations with Israel, we would be against the participation of the Russians in the Mid-East peace process."

He said each participant in the peace talks must have relations with each of the other parties.

● Mr Peres met earlier in the day with President Mitterrand. The Prime Minister said he was told by Mr Mitterrand that if the Soviet Union decided to allow large numbers of Jews to leave, France would furnish their transportation to Israel.

Malaysia seeks 6% growth through oil expansion

BY CHRIS SHERWELL AND WONG SULONG IN KUALA LUMPUR

MALAYSIA is pushingfi for a surprisingly high economic growth target of 6 per cent next year, principally through a big expansion in oil exports.

This was revealed in the country's annual economic report yesterday as Mr Daim Zainuddin, the Finance Minister, presented to parliament a mildly expansionary Budget for 1986.

The oil export increase is unlikely to please the Organisation of Petroleum Exporting Countries (Opec) which has urged Malaysia, a non-member, to cut planned production. But the country faces discouraging prospects for its other commodity exports like rubber, tin and palm oil, and also for manufactures like electronic goods.

Analysts said the minister had little room for manoeuvre because of a possible early election next year combined with the need to maintain control of the balance of payments.

Mr Daim lowered estimates for 1985 growth to 5.2 per cent, a figure which many economists still regard as optimistic. The 6 per cent forecast for 1986 has also caused some surprise.

Much clearly depends on oil production rising by the projected 18.6 per cent to 510,000 barrels a day next year, and oil exports increasing by the forecast 23.6 per cent.

According to the economic report, the current account is projected to widen to M\$5.3bn in 1985 from M\$3.74bn last year, but to come back to M\$4.2bn in 1986.

The report also says the country's external debt will rise to M\$40.45bn in 1985, from M\$37.37bn last year. Net external borrowing by the federal government in 1985 is estimated at just M\$903m thanks to heavy repayments, and the debt service ratio is put at 16 per cent.

Privatisations planned

THE MALAYSIAN Government yesterday reaffirmed its intention to introduce a sweeping series of privatisations, in an attempt to reduce its debt burden against a background of falling commodity prices, writes Dominic Lawson in Kuala Lumpar.

Dr Zainal Aznam Yusef, director of the Prime Minister's economic planning unit, said yesterday that the Government had held lengthy talks with British merchant banks and stockbrokers about ways of privatising Telekom, Malaysia's telecommunications utility. Dr Zainal said the flotation would be handled by the Arab Malaysian Bank which had commissioned a report from Kleinwort Benson, the British bank which led the flotation of British Telecom.

The UK advisers said the Telekom shares should also be offered on the Singapore and London Stock Exchanges, since the Kuala Lumpur exchange alone would be too smal to accommodate such a large offer.

The sale of he country's power stations is also under consideration, and it appears the Government is committing itself to partial privatisation of Petronas, the state oil company.

France finalises FFr 20bn steel aid plan

BY PAUL BETTS IN PARIS

THE FRENCH Government is putting the final finishing touches on a FFr 20bn (£1.7bn) aid package for the country's troubled steel industry to beat the European Community deadline on the end of government subsidies to the steel sector.

The latest aid plan for the French steel industry is due to be completed very soon and involves the injection of FFr 11bn in the form of convertible bonds into Usinor and Sacilor, the two French nationalised steel groups, and the transfer of about FFr 9bn of debts from the accounts of the steel companies to another state concern.

The Government's special steel industry intervention fund—Fonds d'Intervention Siderurgique—is expected to subscribe to the new convertible bond issues.

The financial measures are part of the overall French Government plan to enable the country's steel groups to reach a viable state by January 1 as required by the EEC. They have yet to be approved by the European Commission.

The French Government had pledger FFr 30bn in aid to help the two nationalised steel groups become viable. So far it had advanced FFr 10bn of the total. But with the EEC deadline on state subsidies closing in, it has been forced to accelerate the package to cover the remaining FFr 20bn.

The Government has not yet decided how the FFr 20bn will be split between the two steel groups which are expected to report between them losses of FFr 7bn this year. The Socialist administration's restructuring and financial aid programme for the steel industry is designed to see Usinor and Sacilor break even by the end of 1987.

The New Zealand and Australian governments yesterday protested against France's first nuclear test of the autumn at Mururoa atoll on Thursday, writes David Marsh in Paris. The underground explosion, which the French Defence Ministry said went "perfectly," was timed to coincide with the presence on the island of M Laurent Fabius, the Prime Minister.

Four Greenpeace crew members taken off the protest vessel Vega boarded by French officers on Thursday were meanwhile reported to be under custody on the nearby island of Hao, while the boat itself was in possession of the French military

U.S. and Spain to prepare separate studies on bases

BY DAVID WHITE IN MADRID

U.S. and Spanish officials agreed yesterday to hold further talks on the future of U.S. military bases in Spain, which Madrid's socialist government wants to scale down.

After a first three-day round of talks here, the two delegations are to prepare separate studies on the importance of Spain and of its U.S. bases in western security, before another meeting in December.

This approach, in effect, puts off any detailed discussion about U.S. reductions until early next year, when Spain plans to hold its referendum on whether to stay in Nato. At the same time it enables Madrid to show that a negotiating process is under way and to link its call for a pro-Nato vote to the promise of a reduced U.S. presence.

A carefully worded communique after the meeting said both sides were satisfied with the "constructive spirit" of the talks and the "the progress made with regard to the mandate they had received. "From a U.S. viewpoint, this mandate appears to have been limited to a broad discussion of security needs.

The communique made it implicitly clear that U.S. force requirements in Spain depended on whether Spain remained in Nato and the nature of its participation.

● Three Britons were each given 12-year jail terms yesterday for introducing £14,000 in forged notes into Spain, court officials said, Reuter reports from Madrid.

They said Londoners Gary John Read, John Leonard Ellice and William Joseph Edgecock were also fined \$37,500 each.

They were arrested after trying to pass forged notes in Benidorm in October last year, the court was told.

The court recommended that the Government use its powers of clemency to reduce the terms to six years. The three have fiv days to appeal against sentence.

Parliament in Austria ratifies tough wine law

BY PATRICK BLUM IN VIENNA

THE Austrian Parliament has finally ratified a new tough wine law on despite opposition from the Conservative People's Party which had forced a new vote in Parliament following the law's initial adoption in August.

The law comes into effect immediately. It introduces strict controls on wine production and marketing to prevent a recurrence of last summer's wine scandal which damaged Austria's reputation and image abroad.

Austria's wine exports collapsed after the discovery last July that large quantities of Austrian wine had been doctored with diethylene glycol, a chemical used in antifreeze. The chemical which was used to sweeten the wine, can cause brain and kidney damage.

A demonstration by wine growers who drove their tractors up to the parliament building on Thursday to protest against the law failed to deter the Socialist-led coalition government which relied on its in-built parliamentary majority to ensure the law was ratified.

Wine growers and the People's Party objected to the law on the grounds that it would be needlessly bureaucratic and penalise honest wine producers by increasing production and marketing costs.

The law reduces the maximum amount of sugar and other additives allowed and establishes complicated checks to prevent doctoring. It also introduces a new labelling system similar to the French appelation controllee.

More than 50 people have been arrested since the scandal came to light. At least one company has been declared bankrupt and, last week, in the first trial since investigations began, one producer was found guilty of fraud and given a 15 months suspended jail sentence for doctoring wine.

Emergency extended

Sri Lanka's parliament yesterday extended the country's state of emergency for a further month after Tamil separatist guerrillas attacked a military base in the north of the island, Reuter reports from Colombo.

Guerrillas pounded the base in Jaffna city with mortar rounds, rocket propelled grenades and small arms fire in an overnight attack, according to the Sri Lankan Defence Ministry. Troops repulsed the raiders after a 30 minute battle, the Ministry said.

End of the line

The inventor of the common ball-point pen, Sr Jose Ladislao Biro, has died at the age of 86, AP reports from Buenos Aires. Born in Hungary Sr Biro was credited with more than 30 successful inventions.

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Tanzanians to endorse new president

By Mary Anne Fitzgerald

TANZANIA goes to the polls tomorrow to endorse the ruling Chama Cha Mapinduzi party's choice of Mr Ali Hassan Mwinyi, 60, as president. He succeeds the 63-year-old Mr Julius Nyerere, who is retiring after 21 years as head of state.

Mr Mwinyi won the nomination last August over two other contenders, Prime Minister Salim Ahmed Salim and CCM secretary general Rashidi Kawawa. He is Mr Nyerere's personal choice.

Mr Nyerere will retain his influential post as chairman of the CCM.

The elections are being held against a background of economic austerity that critics have blamed on Nyerere's determination to chart a socialist course. In the 1970s he emplemented economic policies which were responsible for the nationalisation of industry and the disruptive relocation of millions of peasant farmers into communal "Ujamaa" villages.

Mr Mwinyi's main task will be to resurrect an ailing economy which suffers a foreign debt of over 2.5bn and a 40 per cent inflation rate. Even though Tanzania is the largest ever per capita recipient of aid, it is still the world's 14th poorest nation.

Last year Tanzania devalued its shilling by 26 per cent.

Kevin Done explains the background to another tax defection from Sweden

Swedish property tycoon takes the road to Zurich

"IF A brick should fall on my head my estate would go into bankruptcy," says Mr Fredrik Lundberg, the 34-year-old Swedish building and property tycoon who has become the country's latest celebrity tax exile.

One of the richest people in Sweden and one of an aggressive new breed of young financiers who have fast been challenging the country's financial and industrial establishment, Mr Lundberg announced on Thursday that he is moving to Zürich.

Sweden's tennis players tend to prefer Monaco, while most of the country's tax-exile businessmen and bankers have previously opted for the UK. A new double taxation treaty between the UK and Sweden, plus changes in UK taxation for foreigners, have made London a less attractive haven, however.

As a result Mr Lundberg is following in the wake of the occasional Swedish pop star and industrialist on the way to Switzerland.

Mr Lundberg controls holdings in the publicly quoted family construction and property company, Lundbergs, with a current market value of close to SKr 1.4bn.

Lundbergs has property holdings worth an estimated SKr 3.2bn. Its share portfolio, currently valued at around SKr 1.7bn, includes holdings of 25 per cent or more in prestigious Swedish engineering groups such as Alfa-Laval and Incentive, as well as a small bank, Ostgötabanken, and Siab, another construction group.

> For a growing elite of wealthy Swedes, the personal cost of financing the West's most expensive public sector has become too high.

Despite such wealth, under present Swedish tax laws "my heirs would not get a brass farthing," says Mr Lundberg. "The whole of the family's share capital would be consumed by inheritance and capital gains taxes."

Sweden has the world's highest tax levels, but most of the country's 8.3m population have learned to grin and bear the burden. In last month's general election a majority again turned their back on lavish tax cuts offered by the Conservatives, in favour of safeguarding the Social Democrats' cradle-to-grave social welfare system.

For Mr Lundberg, however, in common with a growing elite of wealthy Swedes, the personal cost of financing the western warld's most expansive public sector, has become too high.

"When ownership passes from one generation to the next, the whole of the family's share capital would disappear in tax," he claims. The shares would have to be sold on a depressed market, making the company a vulnerable target for takeover and asset-stripping.

By moving to Zürich with his family, his heirs will be liable to only the 6 per cent Swiss inheritance tax, and will manage to avoid the dire consequences of what in Sweden is, now called the "Sally Kistner effect."

Mrs Sally Kistner died last year. She was the wealthy widow of one of the members of a consortium, which in the 1920s bought up Astra—today Sweden's leading pharmaceuticals company—from the state. Her estate included some 800,000 Astra shares with a market value of more than SKr 300m.

Under Swedish inheritance tax the value of the shares is fixed when the owner dies, not when they are sold. In the case of the Kistner estate the value of the shares had fallen steeply by the time the shares were due to be sold and the tax paid.

The punitive 65 to 72 per cent inheritance tax combined with capital gains tax—arising because the shares had to be sold to pay the inheritance tax—meant that the total tax bill was actually SKr 19m higher than the value of the total inheritance.

On November 15 last year the Kistner estate was declared bankrupt. "Such laws make Swedes into a nation of tax cheaters," declared Dagens Nyheter, the country's leading morning newspaper.

Ironically, by putting the estate into bankruptcy the Kistner heirs did manage to salvage several million kronor from the estate, but the shares had to be sold. That is a risk Mr Lundberg has decided not to take.

Mr Lundberg, an aggressive businessman who has become increasingly involved in the power game to control strategic holdings in Swedish industry and finance, insists that he is not planning to move his capital out of the country.

He will also remain group chief executive, although from Zürich he will concentrate more on Lundbergs' financial operations than on the construction operations.

Fredrik Lundberg . . . avoiding a tough inheritance tax.

Hei s hardly the first Swede to decide to control a financial and industrial empire in Sweden from abroad. From a country estate in Wiltshire in southern England, Mr Erik Penser, one of Stockholm's most successful stockbrokers, has since 1976 master-minded the takeover of some of Sweden's best-known corporations, including Bofors and KemaNobel.

Mr Ingvar Kamprad, the founder of IKEA, the Swedish furniture chain which is seeking to break into the UK market after a run-away success on the Continent, has gradually moved control of his group to a foundation in the Netherlands, while settling himself in Lausanne.

At the same time, control of Tetra Pak, one of Sweden's most important post-war industrial success stories — its packaging systems for liquids have become a standard around the world — has also been moved to Switzerland with the Tetra Pak corporate headquarters in Lausanne.

Mr Lundberg had already told Mr Kjell Olof Feldt, the Swedish Finance Minister, about his plans before he made a public announcement. If the rules could be changed to allow such family shareholdings to be kept together and passed on to the next generation, "no one would be happier than me," he says. "Then I would rethink the move."

The Swedish state, however, seems to have other priorities. At the end of 1983 Mr Lundberg's sister, Mrs Eva Hamren-Larsson, moved to England taking with her her family and a fortune close to SKr 1bn. Just now the Swedish inland revenue are trying to claim back SKr 200m in capital gains tax on Mrs Hamren-Larsson's share sales.

ICI to sell French plant to Shell

By Tony Jackson

ICI is to sell its polyethylene plant at Fos, on the south coast of France, to Shell. The sale marks the final stage of ICI's strategic withdrawal from polyethylene production in Europe.

The Fos plant, built in the mid-1976s, produces 100,000 tonnes of low density polyethylene a year. Shell, which has been increasing its commitment to European polyethylene, has several petrochemical plants close to Fos, in particular its 110,000 tonne polyethylene plant at Berre.

Neither company would confirm the sale yesterday. ICI said: "We propose to consult with our employees on Monday. Any subsequent announcement will confirm that production at Fos will continue." An official statement is expected on Monday.

The sale forms part of a general realignment in European petrochemicals in recent months. ICI announced last month that it was to merge its PVC production with that of the Italian group Enichem, while Shell is to buy the polystyrene business of the German group Hoechst.

ICI's withdrawal from polyethylene — a market threatened by new low-cost Saudi Arabian production — began with the swap of most of its European polyethylene plants for BP's PVS plants in 1982.

The Fos sale, widely expected in the industry, marks the final stage of the process. ICI makes a total of some 300,000 tonnes of polyethylene outside Europe, in Australia, Canada, India, South Africa and Argentina.

Besides its plant at Berre, Shell has polyethylene capacity of 105,000 tonnes at Carrington near Manchester. It has a half share—with German producer BASF—of a 500,000 tonne plant near Cologne in West Germany, which was effectively destroyed in an accident in January. It is not yet clear whether the plant will be rebuilt.

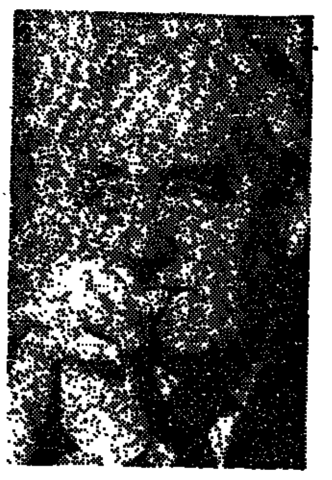
Next year's state spending plans still above target

BY JOHN HUNT

THE GOVERNMENT'S star chamber, set up to arbitrate on the public expenditure plans for 1986-87 will wind up next week without having managed to reduce spending sufficiently to keep within the target figure of £139bn.

This means that the differences between Mr Nigel Lawson, the Chancellor, and ministers whose spending plans are still too high will have to be reconciled at further Cabinet meetings.

The small committee, chaired by Viscount Whitelaw, Government leader in the Lords, has been in intensive discussions during the past month. The final decision will have to be reached before the Chancellor makes his autumn statement to the Commons next month.



Viscount Whitelaw: chairing intensive discussions

As usual, defence spending has proved to be one of the most difficult areas. Mr Michael Heseltine, the Defence Secretary, is believed to be still holding out for a larger budget, although the differences between him and the Chancellor have narrowed considerably.

Social security payments have also been one of the main battlegrounds this year. It seems, however, that Mr Norman Fowler, the Social Services Secretary, has won his struggle to protect housing benefits.

Suggestions that these would have to be cut to keep within Government spending targets created great alarm among Conservative MPs and party workers, who feared the effect this would have on the electorate.

In view of this pressure, it is believed the cuts have been avoided. However the Treasury is arguing that the shortfall might have to be made up eventually by keeping increases in child benefit to below the level of price rises.

Mr Kenneth Baker, the Environment Secretary, has been pressing strongly for an extra £500m a year for housing in each of the next three financial years.

This would be achieved by increasing local authority housing investment programmes. These embody limits on the amounts which local councils can borrow to finance their capital housing.

There is every indication that Mr Baker has had his way, in spite of Treasury opposition.

Allowing for money that can be taken from the contingency reserve and from projected revenue through privatisation, the Chancellor has been trying to reduce bids from the various spending departments by about £1bn.

Labour invites talks with CBI

BY JOHN HUNT

LABOUR WOULD call an immediate national economic summit with the CBI and TUC if it was returned to government at the next general election, Mr Roy Hattersley, Labour's shadow Chancellor, said yesterday.

He invited the CBI to hold exploratory talks with the Labour Party as soon as possible to discuss such a summit.

The talks would embrace the entire economy with particular emphasis on reviving manufacturing industry. Quality of management and improved industrial training would be two main items.

Mr Hattersley's remarks received a cautious response from the CBI. It was always prepared to talk to the government of the day, it said.

The CBI said Mr Hattersley was implying that a Labour government would take note of the business view and added: "That would represent a considerable advance on the attitude of his party when it last held office."

Mr Norman Tebbit, Conservative Party chairman, said however: "What can Hattersley really offer to British industry —just that he would be an amiable errand boy delivering the unions bosses' demands from the TUC."

Mr Hattersley's overtures, made in a speech to the West Midlands CBI, are seen as an attempt to take advantage of the difference of opinion between the CBI and the Government over the recent report from the Lords Select Committee on Overseas Trade.

The document, which was highly critical of the Government's attitude towards manufacturing industry, was warmly received by the CBI but came under attack from Mr Nigel Lawson, Chancellor of the Exchequer, and Mr Leon Brittan, Trade and Industry Secretary.

Mr Hattersley said: "Although the Government will not listen to industry, Labour will. While the Government disparages industry, Labour gives it the highest priority."

ANC chief rejects idea of a truce

By John Hunt

MR OLIVER TAMBO, president of the African National National Congress, yesterday rejected any chance of a truce with the South African Government and made it clear that the ANC is prepared to step up its campaign of violence against aparthied.

Speaking at a press conference at the House of Commons he also strongly attacked Mrs Thatcher for her opposition to the introduction of economic sanctions against South Africa at the Commonwealth Prime Ministers conference.

He said he was "shattered" by the way Mrs Thatcher had tried to make use of the Commonwealth's Prime Ministers compromise over sanctions. At the press conference afterwards he thought she had virtually tried to nullify it.

Asked if more violence could be expected from the ANC in South Africa, he said: "It is going to escalate. We are going to intensify the struggle."

The ANC had said that it embraced violence but, he stressed, this was only in response to the violence used by the South African Government.

He said that President P. W. Botha would not be able to resist the internal pressure. "If he does, it is because the internal pressures have not been built up sufficiently."

In principle the ANC had no objections to negotiations with Pretoria but Mr Botha was not prepared for them.

SDP by-election candidate named

THE Social Democrats have chosen Mr Rod Kenyon as their candidate to fight the Tyne Bridge by-election on behalf of the SDP/Liberal Alliance. Mr Kenyon, aged 40, is personnel manager with Northern Gas.

In local government by-elections held on Thursday the Alliance made further gains. It won 13 seats with the Tories gaining one and losing 10 and Labour gaining one and losing one.

Dispute halts cable company's expansion

BY RAYMOND SNODDY

ABERDEEN CABLE, the first of the new cable television franchises, has run into serious problems because the local authority insists it pays for the right to lay cable across council property.

The dispute is preventing cable being laid past thousands of council homes and has led to cost-cutting at the cable company.

Aberdeen Cable has dropped its nightly news programme City Scene and made 15 production staff redundant.

The dispute raises issues of principle over whether organisations can charge for "wayleaves" for cable. Aberdeen could set a precedent.

Under the Telecommunications Act licensed cable operators have the right to lay their cable in the same way as telephone companies. But local authorities can seek compensation for any disruption.

The exact meaning of the terms of the Act, however, have not been tested in the courts and the London Borough of Wandsworth has been raising opposition to the cabling

Mr David Clyne, convenor of the property and development committee of Labour-controlled Aberdeen District Council emphasised yesterday that the council owned the land involved.

"We have to make the most of our assets," Mr Clyne said.

There are about 40,000 council properties in Aberdeen but Mr Clyne suggested that in addition Aberdeen Cable would have to cross a lot of council land to get to potential subscribers in privately-owned homes.

Mr Clyne said the council had been advised that it had the right to charge but had asked council officials to find a mutually acceptable solution.

Mr Patrick Scott, chief executive of Aberdeen Cable, said yesterday he was still negotiating with the council.

In the meantime Aberdeen is unable to lay cable to council estates where it hoped to attract a high proportion of subscribers. It has to go to areas of private housing where it fears it will not do as well.

Mr Scott said Aberdeen, which was launched on May 3, had 1,100 subscribers but that the subscription rate had dropped from 30 to about 20 per cent of homes passed by the cable network.

BR awards train contract

BY NICK BUNKER

BRITISH RAIL has awarded one-third of a £24m order for 69 lightweight diesel trains to a privately-owned company, Walker Alexander, the Falkirk-based bus and coachbuilders.

The Scottish company will build 23 of the two-vehicle units, known as railbuses. A consortium formed by Leyland Vehicles and BR's own British Rail Engineering Ltd will make the other 46.

BR also announced yesterday that a £10m order for overhaul and maintenance of 350 goods wagons will be sheared between Brel and Powell Duffryn.

Both orders are liable to anger the National Union of Railwaymen, which has campaigned against the award of any contracts to the private sector while Brel workshops are suffering cuts and closures.

BR said last night that little protest action from the NUR was expected.

Pru appoints direct sales head

BY ERIC SHORT

THE PRUDENTIAL Assurance Company has appointed Mr Keith Bedell-Pearce, to head its direct sales force—at 12,000 people, the largest of its kind in Europe. He will take over at the start of next year.

Mr Bedell-Pearce is 39 and joined the Pru in 1972. He has been a computer designer, solicitor and marketing director.

GEC wins Italian videotex contract

By James Buxton in Rome

SIP, the Italian telephone company, has awarded GEC Computers the contract to equip and develop Italy's videotex system. The contract, worth from £20m to £25m over five years, was won in the face of competition from companies IBM and Olivetti, the leading Italian company.

Videotex is the system by which subscribers can consult a data base by means of a screen and keyboard in their home or office. In Britain, GEC Computers supplying the equipment for British Telecom's Prestel system.

Sip, awarded the contract after "the most carefully planned trial and selection process yet conducted," according to GEC Computers.

For four years tests were carried out on GEC equipment in Italy and studies were made of operations in other countries. The contract had only then been put out to open tender.

BSC strip plants to get extended break

Financial Times Reporter

PLANTS in the British Steel Corporation's strip products division will take an extended two-week holiday at Christmas and the New Year.

BSC said the decision to extend the normal break from 10 days to two weeks for these plants was made because Christmas day will fall on a Wednesday. Many of the division's main customers would take extended holidays at Christmas and so demand for strip products would dip then.

The division produces sheet steel for the automotive and home appliance industries, as well as tinplate for food and beverage cans and coat sheet for the construction market.

The plants affected are in Scotland and Wales.

Tighter Abta rules likely for package holidays

BY ARTHUR SANDLES

TOUGH RULES on holiday consolidations—large-scale changes to package arrangements—and a substantial increase in travel insurance premiums are likely to be announced at the Association of British Travel Agents convention which opens in Sorrento, Italy, this weekend.

So great was the number of consolidations to holidays this summer that there were widespread calls for Government action and strong protests from consumer groups.

Holidays are "consolidated" when some trips do not sell well and operators attempt to place, say, two under-booked tours onto one flight.

It is thought that as many as one in five holidays were changed in some way this year. Changes ranged from a move of a few hours in departure times to switches to different resorts and departures on different days.

Many of the larger operators have now produced no-consolidations guarantees. Now Abta is about to produce a code of conduct setting out penalties for member companies which disregard their customers bookings and change arrangements.

At the same time, however, the association is likely to confirm that its sponsored insurance scheme—the one most likely to be recommended by travel agents—is going to cost much more in 1986.

A premium rise of more than one fifth is likely after a year in which underwriters suffered a substantial loss on travel insurance. The Abta scheme has now been passed from Accident and General to Jardine Glanville.

Stockjobber to extend its coverage

By Martin Dickson

AKROYD & SMITHERS, one of the London Stock Exchange's leading market makers, will substantially extend its coverage of UK equities on Monday when it begins dealing in three additional share sectors—Electricals, Engineerings and Banks.

The move is part of a plan to move quickly to offer coverage of most main stocks against the background of next year's "big bang"—the abolition of both fixed commissions and the distinction between the jobbing and broking functions.

Akroyd forms part of Mercury International, a big securities group being estabilshed. The other participants are S. G. Warburg, the merchant bank, and brokers Rowe & Pitman and Mullens.

Akroyd will also be using Monday's changes to tidy up its existing coverage of various sectors. It will, for example, begin trading in the shares of Unilever, a group in which it has not before now dealt for historic reasons.

It already deals in some second-line stocks in the electrical sector, which has been in the past few years, one of the fastest growing and most volatile sectors in the market.

In the banking sector, Akroyd will cover clearing and merchant banks (but not discount-houses) while its engineering coverage will embrace the main stocks and some second-liners.

In all, Monday's changes will involve 170 stocks. In December Akroyd plans to extend its coverage to the insurance sector. That will leave textiles as the only market in which it is not represented.

It aims to extend the coverage from its existing resources, without extra staff

UK NEWS

N. Sea oil output likely to rise despite Opec pleas

BY MAURICE SAMUELSON

BRITAIN'S OIL output this year is likely to be 2 per cent *higher than in 1984, in spite of* continued pleas by the *Organisation of Petroleum* Exporting Countries for lower *North Sea production.*

The forecast was published yesterday by the Royal Bank/Radio Scotland index which showed that UK oil production last month bounced back to its highest level since spring.

It appeared only 48 hours after a meeting in London between Dr Subroto, Indonesia's oil minister and Opec President, *and Mr Peter Walker, Energy* Secretary, who is understood to *have stood by the British* Government's opposition to setting production limits.

According to the index, published in Edinburgh, the North Sea oilfields last month showed *their sharpest monthly rise,* reaching 2.65m barrels of crude *a day, almost 17 per cent* higher than in August.

The surge was due to the completion of maintenance on *Shell's Fulmar Field,* and the return to full production of *Forties, South Brae and Montrose* fields after the closure of *the Forties pipeline for a week* in August.

Last month, too, Occidental's Scapa Field became the 30th oilfield in the *North Sea* to come into full production.

The *rising trend is expected* to continue for the rest of the year, with *production next* month or in December possibly matching the record 2.81m b/d of last January.

For the year as a whole North Sea production could average about 2.62m b/d, a rise of about 2 per cent on last *year's total.*

The index says: "This should *represent the peak of oil pro-*duction but the decline could be rather more gentle and less pronounced than some observers suggest with output, on our forecasts, still above 2m b/d in 1990."

Last month the sharp production increase combined with *slightly firmer oil prices* and a slight easing of sterling against *the dollar resulted in a sharp* rise in oil value. The daily value rose by almost £10m to reach £54m.

Inquiry urged into energy policy

BY MAURICE SAMUELSON

THE Institution of Mechanical Engineers has called for a Royal Commission to advise the Government on formulating a *national energy policy.*

The institution, in a paper submitted to a seminar in London, complained that Britain was profligate in the amount of energy it was using and in the cost which many consumers had to bear.

It said: "If the economic success of the UK is to depend increasingly on the efficient production and use of energy, the Government—while seeking the *advice of specialist organisa*tions working in the field—will wish *to know that* proposals they make will lead to a proper balance between the creation of real wealth, wise allocation of resources, international competitiveness, and safety and environmental protection."

The Government should there*fore set up a Royal Commission,* composed of people experienced and competent *in all energy* fields, but independent of vested interests.

The commission's terms of reference would encompass the direction of investment in all forward energy projects and the formulation of incentives, including legislation, for lower UK energy consumption in relation to industrial output.

The paper, by Mr Roger Vaughan, chairman of the in*stitution's power industries divi*sion, implicitly criticises the Government's non-interventionist approach by saying it should intervene in order to strengthen the country's competitiveness.

● *In the Commons yesterday,* Mr David Hunt, Minister of *State for Energy,* said Britain needed "a flexible approach to the energy future."

Thanks to the government-backed research into renewable energy sources, the UK was on target to meet a significant part of its needs from these sources early next century.

Achievements were mainly in the fields of direct solar heating of buildings; wind and geothermal technologies; and in wave power.

A Policy for Energy in the UK, Institution of Mechanical Engineers, 1, Birdcage Walk, Westminster, London SW1H 9JJ. (No price.)

Economic Diary

TODAY: EEC Foreign Affairs Council informal meeting in Luxembourg (until October 27).

TOMORROW: ABTA annual conference in Sorrento (until November 1).

MONDAY: EEC Finance Council meets in Luxembourg. NUM special conference on sacked miners. Engineering workers pay talks. Royal Opera House annual report. Institute for International Finance meeting *for commercial banks to discuss* Baker debt plan.

TUESDAY: CBI Industrial Trends Survey (October). EEC Economic and Social Committee meets in Brussels (until October 31). Nato nuclear planning group meets in Brussels (until October 30). CBI conference on A Europe for Business at Centre Point, WC1.

WEDNESDAY: Detailed analysis of employment, unemployment, earnings, prices and *other indicators. New vehicle* registrations (September). FT *third professional computer* conference at the Inter-Continental Hotel, W1 (until October 31). Shadow cabinet election results.

THURSDAY: Unemployed and unfilled vacancies (October). Overseas travel and tourism (August). Energy trends (August) Deadline for bids to build Channel link.

FRIDAY: Housing starts and completions (September)—including slum clearance 1984-85. *Car and commercial vehicle* production (September-final). *Imperial Group extraordinary* meeting on Howard Johnson sale.

Solicitors split on complaints procedure

By Raymond Hughes, Law Courts Correspondent

AN ACUTE conflict of views over a suggestion that the Law Society, the governing body of solicitors, should relinquish to an independent tribunal the task of handling complaints against solicitors, *has emerged at the society's* annual conference at Harrogate.

Mr Alan Leslie, the society's president, has spoken in favour of a solicitor's complaints board independent of the society as suggested in a report commissioned by the society from Coopers and Lybrand, the *management consultantcy.*

However, at yesterday's *debate on the report most* speakers, including members *of the society's ruling coun*cil, denied there was any conflict of interest involved in the society dealing with complaints.

Sir David Napley, a prominent solicitor, said he had no confidence in the report, and he challenged Coopers and Lybrand to produce a single case indicating *a conflict of interest.*

Maj. Gen. John Allen, the lay observer who reviews the handling by the society of complaints against solicitors, said it could not wash its hands of complaints by transferring them elsewhere.

It would be wrong for it to do so on the basis of a public misconception of a conflict of interest created by a vociferous section of the public and the media.

Although the existing situa*tion was not perfect,* any shortcomings arose from *administrative rather* than structural weaknesses.

Fluoridation Bill passed

By Kevin Brown

THE WATER Fluoridation Bill, which is to confirm the right of water authorities to add fluoride to the public supply, completed its parliamentary stages yesterday.

The Bill was approved at 3 am yesterday and is expected to receive the Royal Assent next week.

Engines that fit the Cunard bill

Andrew Fisher on why the QE2 is going diesel-electric

The QE2: "Big and beautiul" *Glyn Genin*

IN THE breatheiss sales language of the Cunard brochure, the Queen Elizabeth 2 is "the last of the great superliners."

With four restaurants, six bars, a casino, a cinema, a night club opening to the sky, and a health spa, the ship is portrayed as a floating city for those with a taste for the pampered ocean life.

"She's big, she's beautiful," says Cunard. However, she is also very costly.

It took Trafalgar House, owner of the line, two years of study to decide that it was worth investing heavily in re-engining the vessel to modern standards of efficiency and fuel economy.

The alternatives to spending £80m on the advanced diesel-electric *propulsion* and power system, as well as upgrading *other parts of the ship,* were reckoned to be even more costly, says Mr Mike Novak, the New York-based vice-president of Cunard's passenger fleet operations.

Building a new vessel, the QE3, would have cost about £180m, more than the modern cruise vessels just built or being built for Cunard's rivals.

Cunard could also have taken its chance in the second-hand market with a *ship,* one of the world's largest, whose life span was *only reckoned to be an*other eight years.

Or it could have simply kept her going with her ageing and *fuel-thirsty steam turbines,* earning revenues of £100m a year into the 1990s.

The system which Cunard is *to instal—to be built* mainly by MAN and fitted by Lloyd Werft, both of West Germany—will give the QE2 an extra 20 years of life from mid-1987, when the work is due to be completed, says Mr Novak.

She will have one of the most modern propulsion systems, automated, flexible, and easy-on-fuel. The QE2's fuel costs are not far short of £20m a year, and the re-engin*ing should save more than* 40 per cent of this.

Initially, Cunard invited the large marine engine manufacturers *to submit* proposals. Sulzer of Switzerland, MAN, Stork-Werkspoor of the Netherlands, Wartsila of Finland, Pielstick of France, and MaK, also German, attended Cunard meetings two years ago.

The line wanted a solution covering both the need to drive the ship and the power requirements of the on-board services, as well as the QE2's dual role in providing leisurely holidays and also a regular service across the Atlantic for about half the year.

Cunard also wanted a system that *would not* make the engines strain at maximum *power if the ship's streamlining* was impaired. It decided on the diesel-electric system, rarely used in commercial vessels.

Mr Novak says the diesel-electric system was discarded at first, because it was thought too expensive. But modern diesel engine and electrical technology meant the cost gap with more conventional systems had narrowed to less than 10 *per cent.*

However, there should be big savings *on* running and maintenance.

"The flexibility of diesel-electric was just beautiful," says Mr Novak. "It's like a power station on a ship."

The nine MAN diesel engines will drive alternators that generate electricity for two 44 megawatt electric propulsion motors and for other operations.

Pielstick, Stork-Werkspoor and MAN were all asked to look at diesel-electric possibilities, the final choice resting with the last two. The final price difference was very small, Mr Novak says.

The UK has not wholly lost out in the £80m order. While no UK repair yard felt able to bid for the complex *work,* £25m of business will go to General Electric *for the* propulsion motors and power generation plant, *and* Harland and Wolff in Belfast for some engine components under licence from MAN.

For British Shipbuilders, whose Clark Kincaid engine subsidiary is a licensee of the Dutch manufacturer, the decision not to choose Stork-Werkspoor is a disappointment.

FACTS ABOUT THE QE2

Built *1965/67 by John Brown,* **Clydeside**
Size - 67,140 gross tons
Length 963 ft
Breadth *105 ft*
Capacity 1,800 passengers
Crew 1,000
Decks 13, totalling 4,500 sq yds
Routes *Atlantic,* **Caribbean, round-the-world**

Call for co-operation on rundown areas

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE BUSINESS community was increasingly aware that the Government, local authorities and private companies needed to do far more to help inner cities and de-industrialised stretches of land, Mr Brian Bigley, director of the Confederation of British Industry's Yorkshire and Humberside *region, said yesterday.*

Speaking at a conference in West Yorkshire *he said the* condition of some rundown former industrial areas was so bad it adversely affected business confidence and job prospects.

He said: "Government, local authorities and the private sector should find common cause in the rehabilitation of the squalid and former industrialised areas of West and South Yorkshire. An enhanced community programme hardly scratches the surface. Bold schemes of revitalisation are sorely needed."

This year the Government announced that the number of places for the unemployed in the community programme would be increased by 100,000 to a total of 230,000.

Critics of the community programme say it is mainly a tool to improve the appearance of unemployment statistics and that many though not all projects in it involve little more than use of labour gangs on only marginally worthwhile environmental improvement schemes.

The confederation nationally set up a task force this summer under Mr David Pennock to see how private companies could be brought closer to the community programme by sponsoring schemes. It also published two documents last year chronicling deterioration of roads and buildings.

Brick output slightly lower

By Lisa Wood

BRICK PRODUCTION in the UK during the third quarter of 1985 was 1 per cent lower than in the second quarter but almost the same as in the corresponding period a year earlier, according to seasonally-adjusted figures published yesterday by the Department of the Environment.

Third quarter output totalled 1,016bn bricks and stocks at 647m represented about eight weeks' deliveries at current levels. Deliveries were 1 per cent lower than in the second quarter and 4 per cent below the third quarter of 1984.

UK NEWS-LABOUR

Ford unions reject offers on pay and line workers

BY HELEN HAGUE, LABOUR STAFF

UNION NEGOTIATORS yesterday rejected an offer of a 3 per cent pay increase for 37,500 Ford (UK) hourly-paid workers and a further 2 per cent for about 10,000 line workers.

In day-long negotiations the company said any extra rises would have to be funded by increases in efficiency and flexibility. Ford wants a two-year pay deal—but the rises offered so far apply only to its first phase.

Mr Jimmy Airlie, secretary of the trade union side of the Ford joint-negotiating committee, said management's commitment to a line worker's allowance was a nail in the coffin for the company's 17-year-old grading structure. The line worker's allowance formed part of the union's claim this year.

Having conceded the principle of this allowance it would be difficult for the company not to recognise the aspirations of other groups of workers, Mr Airlie said.

Nearly 200 separate grading grievances have been submitted — many from line workers organised by the Transport and General Workers' Union and skilled tool workers organised by the Amalgamated Union of Engineering Workers.

Some form of regrading for skilled tool workers is expected to be discussed at the next negotiating session on November 11.

Mr Airlie said the grading structure was effectively dead and would be likely to be buried during this set of pay talks.

Earlier Mr Paul Roots, Ford (UK)'s industrial relations director rejected the union's claim for a 15 per cent wage rise. He warned that employees should no longer expect automatic pay increases to compensate for rises in the cost of living.

The company had made a £14m net operating loss last year and the union's claim represented a 27 per cent increase in labour costs which would jeopardise jobs.

Unit labour costs in Britain were rising at a faster rate than other industrial countries and this was a large factor in the decline of the country's manufacturing base.

Current over-capacity in the European car and vehicle market had increased marketing costs and additionally put increased pressuer on profit margins, he said.

Mr Root also highlighted the gap between productivity at Ford's UK plant and those elsewhere in Europe.

Job Centres 'offer posts at illegal rates'

BY DAVID THOMAS, LABOUR STAFF

NORTHERN Job Centres are advertising jobs at rates below those set by wages councils, according to a survey by the Northern Region Low Pay Unit.

The survey was of 660 vacancies advertised in Job Centres at seven Northern towns in four of the sectors covered by the councils — hairdressing, retailing, clothing, and hotel catering.

It found that 22 jobs, mainly in hotel and catering, were being advertised at rates below levels set in wages council orders.

The survey also found that one in five jobs in these sectors is advertised at negotiable rates with no mention of the legal minimum rates set by the councils.

The Northern Low Pay Unit said: "Negotiable pay opens the door to illegal underpayment and hinders Job Centre staff from ensuring that minimum pay levels are adhered to."

Further, according to the survey, as many as a fifth of jobs in these wage council sectors are advertised as self-employed, a practice particularly common in hairdressing.

The unit said: "Employers may well be acting illegally when the people concerned are in fact employees and entitled to the benefits and job protection of employees."

Job Shop Poverty; Northern Region Low Pay Unit, P.O. Box. No. 21, Keppel Street, South Shields, NE33 1AA.

Retirement age deal at Midland Bank

By Philip Bassett, Labour Correspondent

MIDLAND BANK yesterday reached agreement with its TUC-affiliated unions over the bank's retirement-age policy, about which the Banking, Insurance and Finance Union had been threatening industrial action.

The union's disagreement with the company arose from the bank's decision to reduce its retirement age for men to 60 years from next January 1.

Bifu had threatened action following a narrow vote in favour, of 169-144, but yesterday the company reached a two-part deal with both Bifu and the white-collar union ASTMS:

● To deal wtih any short-term difficulties the bank will stagger the actual retirement of those approaching the new limit, with the first group due to go now leaving next September.

● For three years from 1986 the bank is to offer to those leaving at 60 the option of either their full pension-contribution rights as if they had stayed until 65, or the equivalent in redundancy payments up to a limit of 57 weeks' pay.

Teachers' row move

THE TEACHERS' unions have been asked their views on the suggestion by the Secondary Heads' Association that the conciliation service Acas try to help settle the teachers' pay dispute in England and Wales. However, Mr Fred Jarvis, leader of the unions' negotiators says he sees no point in the invitation.

Cohse vote for political fund raises Labour income to £2m

BY DAVID BRINDLE, LABOUR STAFF

GUARANTEED Labour Party income from trade unions has passed the £2m mark, following the vote by the Confederation of Health Service Employees to retain its political fund.

Cohse yesterday became the 19th union to declare a majority for retention, with 91.3 per cent of those who voted having approved. No union has yet voted against retention.

Although Cohse's turn-out was only about 40 per cent—low by the standards of most other unions—its officials said it was a high response, compared with previous ballots conducted by the union.

'f those members who expressed a preference in the ballot, 81,012 voted in favour, and 7,731 voted against. About 75 per cent of the ballot was conducted at places of work. Most of the remainder was by post. The greatest regional approvals were those of Scotland and the South Yorkshire/East Midlands areas.

Mr David Williams, the Cohse general secretary, said: "The enthusiasm of our members in voting 'yes' for the political fund demonstrates their total antagonism towards the Government's policies in the health service."

Cohse's 91.3 per cent majority is the second biggest recorded by a union, exceeded only by the 93 per cent of Aslef, the train drivers' union. The proportion in favour of retaining political funds, among all the 19 unions balloted so far, is 87.2 per cent.

● The Royal College of Nursing plans to break fresh ground in services to union members with a wholly-owned subsidiary company, manged by Bishopscourt Financial Services, part of Hambros Bank Group.

The company, RCN Membership Services, is offering the college's 246,000 members insurance policies, personal loans and a car purchase scheme. Future offers include a unit-linked savings scheme, personal accident cover and a discount travel club.

The royal college's accounts, published yesterday, show record income in 1984-85 of £9.9m — 20 per cent greater than in the previous year — with an excess of income over expenditure of £1.1m.

Liverpool dockers reject TGWU advice

FINANCIAL TIMES REPORTER

REGISTERED DOCKERS in the Port of Liverpool yesterday overwhelmingly rejected a recommendation from shop stewards in the Transport and General Workers' Union to accept reduced manning levels in their gangs in order to save a car-ferry service between Liverpool and Dublin.

P & I, the shipping line owned by the Irish Government, has been negotiating with Mersey Docks and Habour Company, to try to obtain operational cost savings.

Dockers at yesterday's mass meeting indicated they were not prepared to see more men placed on reduced fall-back pay, which would have resulted if gang levels had been cut as proposed.

The P & I board will meet to consider the position before Mr Alex Spam, chairman and chief executive, reports to the Irish Government.

One option would be to transfer the Liverpool service to Holyhead, where dockers are not members of the TGWU. The docks company was not prepared to comment.

Companies registration resumes

REGISTRATION of new companies resumed yesterday after typists at Companies House, Cardiff, ended a three-week strike. The Trade and Industry Department said the backlog of 8,500 applications to form companies should be cleared within six weeks, after which there should be no delays.

The strike, by 21 typists and two superintendents, began over a dispute about the installation of a word-processor. The department has admitted the move was made without consultation but said it had no bearing on feasibility studies on wider computerisation.

Merchant Navy 4.75% pay offer rejected

By David Thomas

LEADERS OF 25,000 Merchant Navy officers yesterday rejected a pay rise offer of 4.75 per cent—the same as that made to ordinary seamen this week.

The officers' union, Numast, had been seeking an 11 per cent rise. Mr Eric Nevin, Numast general secretary, said: "We are certainly not happy with 4.75 per cent."

The General Council of British Shipping said: "Many shipping companies are finding it difficult to survive with their present operating costs and anything extra must make survival that much more difficult, under the British flag."

The employers also turned down a claim from the union that officers should be able to retire early at 58, though the employers said they would continue the present scheme which allows early retirement at 60.

The employers agreed that most of the surplus in the Merchant Navy pension fund should go to improve pension benefits but stipulated that some of the surplus must be used to reduce the employers' contributions.

Talks will continue next month.

Agreement to settle dockyard unrest

AGREEMENT was reached yesterday between management and unions at Rosyth Royal Dockyard, Scotland, to end the one-hour strikes by some industrial workers there.

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Saturday October 26 1985

Preparing for the summit

THERE IS, quite understandably, a sense of expectancy about the summit meeting between President Reagan and Mr Gorbachev in Geneca next month. *After all, it is a good* many years since relations between the two superpowers were on anything like an even footing. Not since theday of President Nixon and Mr Brezhnev could one look forward to such a meeting with hope rather than apprehension.

In the meantime, much has changed. America has been through its own turmoils: the withdrawal from Vietnam, Watergate, the rather unhappy presidency of Mr Carter overshadowed by the hostages in Iran. Under President Reagan it has emerged stronger, more self-confident and perhaps, by now, *ready to negotiate.*

The Soviet Union has had its turmoils, too: the ailing Mr Brezhnev, his two successors—Andropov and Chernenko—too old and too ill to make much of a mark. Yet under the new leadership of the relatively young Mr Gorbachev it begins to look as if it may be ready again for serious business. In short, we may be about to see the resumption of major international diplomacy.

As the two leaders survey the world *scene in preparation,* they may reflect that it has not greatly improved since the period of incipient detente in the early 1970s. There is still an arms race: existing treaties between Moscow and Washington on arms control are being strained to their limits because *of the failure to agree* on anything to put in their place. The Middle East loks as bad as ever: relative peace between Egypt and Israel being countered by the near disintegration of the Lebanon.

World order

There are regional conflicts throughout the continents. Moscow and Washington were sparring about Angola when Dr Kissinger was U.S. Secretary of State. They still are, 10 years later. The situation in South Africa attracts more attention than it did, although that was predictable. Central America is a cause for concern, not only to the U.S. but also to its European allies if the Americans were *ever to do anything* too rash. The war between Iran and Iraq goes on. So do the troubles in Afghanistan, and there are plenty of other examples.

Probably the biggest single change in the last few years has been the emergence of the U.S. as superpower number one. Even that has not been a huge success in terms of world order. The Americans intervened in the Lebanon to *no* great effect and in the end withdrew. *There are limits to* what they can do about South Africa, though it is notable that in most regional conflicts it is the Americans rather than the Russians to whom the parties in dispute now turn. Except in nuclear weapons, *there is no* longer much appearance of *equality between the superpowers.*

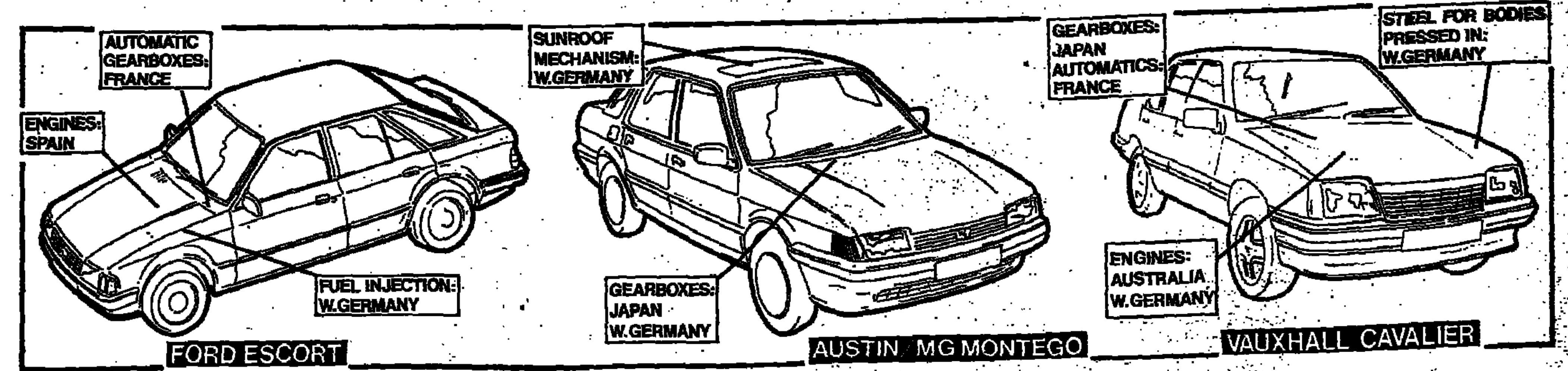
Yet the pieces are there to be picked up if Moscow and *Washington want to resume* their diplomacy. The obvious *focus is arms control, if only* because it was there that *negotiations petered out in the* 1970s and the technology since has advanced faster than the diplomats can keep up with. President Reagan was strangely muted about it in his speech to the United Nations on Thursday but he did say that the Soviet proposals already made contain "seeds which we should nurture." And, indeed, it is hard to believe that any American president would lightly brush aside the chance of serious talks in this area. Failure to agree would mean the deliberate pursuit of nuclear superiority with unthinkable consequences. The Americans might *win the race,* but it would hardly lead to a *more stable relationship with* the Soviet Union elsewhere.

Marginal

If arms control is central, what are the chances of it leading to greater superpower cooperation *around the world?* That was part of the theme of *President Reagan's UN speech.* He listed five areas where the US and the Soviet Union might get together: Afghanistan, Cambodia, Ethiopia, Angola and Nicaragua. First, he said, there might be a regional peace process, then meetings between Americans and Russians, and finally a welcoming back of each country into the world economy.

To Western ears that may sound ambitious or even fanciful. It is doubtful if it sounds remotely ambitious to Moscow. For what is striking about the countries mentioned is that they are all in their way peripheral to wider conflicts. Angola is on the list, but not South Africa. The Middle East does not even *rate a reference, yet is perhaps* the most potentially explosive *part of the world.*

What Washington declines to acknowledge is that behind Soviet foreign policy is a desire to be recognised as an equal: Moscow will not be easily fobbed off by being offered a share in marginal diplomacy. At the same time, the Soviet Union refuses to recognise that it is not an equal. Somewhere between those two misperceptions a balance is going to have to be struck. America may be stronger, but it needs an arms *deal with the Russians.* So do we all, and Moscow could be *encouraged to come further on* to the world stage.



HOW BRITISH IS YOUR BRITISH CAR?

A political question, an industrial reply

By John Griffiths

JUST how British is your British car? *This question* has ben raised with a new intensity this week in the light of the unprecedented attack by a Government Minister on the Britishness of Vauxhall's products.

Implicit in the remarks made by Mr Leon Brittan, the Industry Secretary, in the Commons on Wednesday is the Government's belief that Vauxhall is hiding behind its traditional, *sales-boosting image as a British* producer when in fact only 56 *per cent of its cars for the UK* market come from UK plants.

The point was made even more uncomfortable for the General Motors subsidiary when Mr Brittan drew a contrast with its arch-rival Ford, which expects to meet 70 per cent of its British requirements from British plants.

Anyone with a keen ear at Westminster that day might have caught faint chuckles drifting down from Cranley, headquarters of Austin Rover, at the multinational's discomfiture. For one of the, not publicly admitted, planks of UK state-owned Austin Rover's *recovery strategy* has been to undermine the perception—*particularly among* fleet buyers who control nearly half of UK new car sales—that Vauxhall, Fords, even Peugeot/Talbots, are sufficiently British to be bought without conscience.

Yet, in truth, the "how British" question is notoriously slippery. One answer *(see accompanying table)* is that not one volume-built car sold in the UK now warrants a "100 per cent British" tag. But the extent *to which they miss* the mark varies enormously.

In that respect, the table of Britain's current top ten best sellers shows *Vauxhall* coming off worst, and by a considerable margin.

Taking its complete model range, it would be possible for a company to equip everyone, from junior rep to chairman, with Vauxhalls none of which would have been built in Britain: the *junior* rep's *Nova* would be Spanish, the senior rep's *Astra* or *Cavalier* has an evens chance of having been imported from West Germany or Belgium; the thrusting young marketing executive's Opel Manta is built only in Germany, as is the Carlton and Senator executive saloon and the Opel Monza luxury sport soupe.

But misapprehensions about other manufacturers' models abound:

In the case of Ford, the new Granada/Scorpio model with which it hopes once again to dominate the UK executive car sector is built only at Cologne, West Germany, with virtually no UK-sourced components. The same applies to all models of the Capri coupe. Nearly four out of 10 Fiestas currently are *imports from* West Germany or Spain, more than six out of 10 *Orions are imports, as are more* than one in three Escorts and Sierras.

Even Austin Rover's UK *content is drifting downwards,* and will continue to do so — though there will be model-by-model variations.

As the table shows, the Montego and Maestro models use Volkswagen or Honda gearboxes; the Metro has some minor fittings from as far afield as the U.S.

The Maestro replacement will *be another car developed jointly* with Honda. And the Rover 200 series, hovering just below the "top ten" list, is just 77 per cent "British," in the case of the Honda-engined 213, and 85 per cent in the case of the 1.6 engined 216.

So what do these figures prove? That Vauxhall really is a miscreant? That a buyer with the best interests of the UK's economy and unemployed at heart has no choice but to buy Austin Rover?

As *Professor* Garel Rhys, holder of the UK's first chair of the motor industry at Cardiff University and adviser to the Commons select committee on trade and industry, points out, a far broader measure than UK registrations has to be used to assess the major car companies' contributions to the UK economy.

It must include current exports not only of cars, but components;

And to be truly fair, it must take account not only of historical events creating the current situation, but investment *programmes and intentions* for the future.

For example, he suggests, had the performance of what was formerly *British Leyland not* been so poor for two decades up to the end of *the 1970s, it* too, would have production plants overseas and cross-border flows of components to maximise economies of scale, bringing *its* own "U" content down substantially.

Using the wider measure, the picture looks very different. Ford, for example, since *1979* has invested more than £1.5bn in the UK—more than Vauxhall, Austin Rover and Peugeot/Talbot combined. The investments are continuing: its latest project, announced in July, is to spend £157m at Dagenham to produce a "third-generation" lean-burn engine from 1987. Dagenham will be the sole *supply source* for all Ford's European plants.

In total, Ford's UK operations earned £980m in exports last year. That it was still in the red on external trade by £501m is attributed by Ford not in sourcing policies, but to the company's inability to solve longstanding productivity problems at its car-making plants at Halewood and Dagenham. These are still operating at less *than 70 per cent of capacity*—a reflection of the fact that, *according to* Ford, *it still takes* more than 60 hours to make a car *in the UK*, compared with between 30 and 40 hours in Germany and only 22 hours in Japan.

If Dagenham and Halewood could work at *full stretch,* Ford would be able to serve its British customers *from* British plants and would suck in a correspondingly higher level of UK parts. Ford says it is well satisfied with its UK components operations, as its investment figures confirm.

As Mr John Fleming, chairman of Vauxhall, pointed out in defending Vauxhall this week, GM's operations in the UK, which embrace a number of components companies as well as Bedford trucks, also earned £214m in exports last year.

But *Vauxhall's* balance of trade deficit still exceeds £656m, *and last year* it made yet another net loss (of £6.8m). And Mr Fleming dropped a clear hint why Vauxhall is unable *to meve faster on* increasing UK content: GM is tired of *Vauxhall's long history* of losses, and is now looking for *returns on its investments.*

But the current situation is largely a function of Vauxhall's history. Unlike Ford, which has been an integrated, pan-European organisation almost from the start. Vauxhall was a virtually independent company until the early 1970s. It built and sold only 350,000 cars a year, yet produced three engine and gearbox ranges for them. "In terms of achieving economies of scale, it was an impossible situation," observes *Prof Rhys.*

GM had little choice but to group Vauxhall with *its higher*-volume West German sister company, Opel. And with Vauxhall industrial relations at their nadir, it was inevitable that the whip hand in terms of design and economical sourcing main component sourcing would go to West Germany.

The number, and UK content, of Vauxhalls assembled in the UK is *nevertheless* expected to improve. One snag preventing *output of Astras at Ellesmere* Port — on which GM spent £70m last year — is "bugs" in the highly-automated plant's software, limiting output to 25 an hour, against capacity for 35. The faults are being rectified, albeit slowly.

Whether such progress is enough to satisfy Government critics remains in doubt. And *last night, in their own* protest over the level of Vauxhall imports, the company's unions were to decide whether or not to impose a handling ban not just on Spanish-built Novas, but imported Astras and Novas as well.

Vauxhall's UK management, in effect, is being squeezed between government and union *pressure on the one hand, and* its parent's hard line over *profits on the other.*

It practice, it may be irrelevant anyway to ask the question how British is your car? As pan-European collaborations multiply in the face of Japanese competition, national definition are likely to become a thing of the past.

AUSTIN ROVER — TOP TEN CARS - BENEATH THE SKIN — VAUXHALL — Ford

Model	* Total UK sales	Percentage Imported	† UK content of British-built units (%)	‡ *Components of UK-built cars by country of origin*
FORD ESCORT	125,571	41.96	85	UK: 1.3, 1.6 all diesel engines; manual gearboxes, bodies, interiors. Other: 1.1 engines (Spain); automatic gearboxes (France), fuel injection (W. Germany).
VAUXHALL CAVALIER	110,621	35.88	47.5	UK: glass, wheels, tyres, paint, steering wheels, soft trim, minor engine parts (eg filters), steel for bodies. Other: 1.6, 1.8 engines, estate car panels (Australia); 1.3 engine (W. Germany); manual g'boxes (Japan), automatics (France).
FORD FIESTA	103,874	38.35	62.1	UK: 1.3, 1.6 engines; bodies and interiors. Other: 1.1 engines (Spain), all transmissions (France).
AUSTIN/MG METRO	100,143	Nil	97	UK: all except glass (Belgium), oil coolers (U.S.), and alternators (France).
FORD SIERRA	83,807	22.43	74.47	UK: bodies, most engines, gearboxes, interiors, rear axles. Other: 2.8V6 engines, gearboxes (W. Germany), 2.3 diesels (France).
AUSTIN/MG MONTEGO	61,463	Nil	95	UK: all except gearboxes—1.3, 1.6 from VW (W. Germany), 2 litre Honda (Japan), sunroof mechanism (W. Germany).
VAUXHALL ASTRA	60,656	38	52.5	Same as Cavalier, except bodies pressed in UK.
FORD ORION	53,761	63.58	83.2	As Escort, but Spanish-built 1.1 engine omitted from range.
VAUXHALL NOVA	52,924	100	N/A	N/A
AUSTIN/MG MAESTRO	47,947	Nil	95	As Montego, except glass sourced from Belgium.

* First nine months 1985 † Measured by ex-factory gate prices, including all overheads., ‡ There are some UK parts on imported vehicles, e.g. Ford UK is the sole source of supply for all Escort diesel engines.

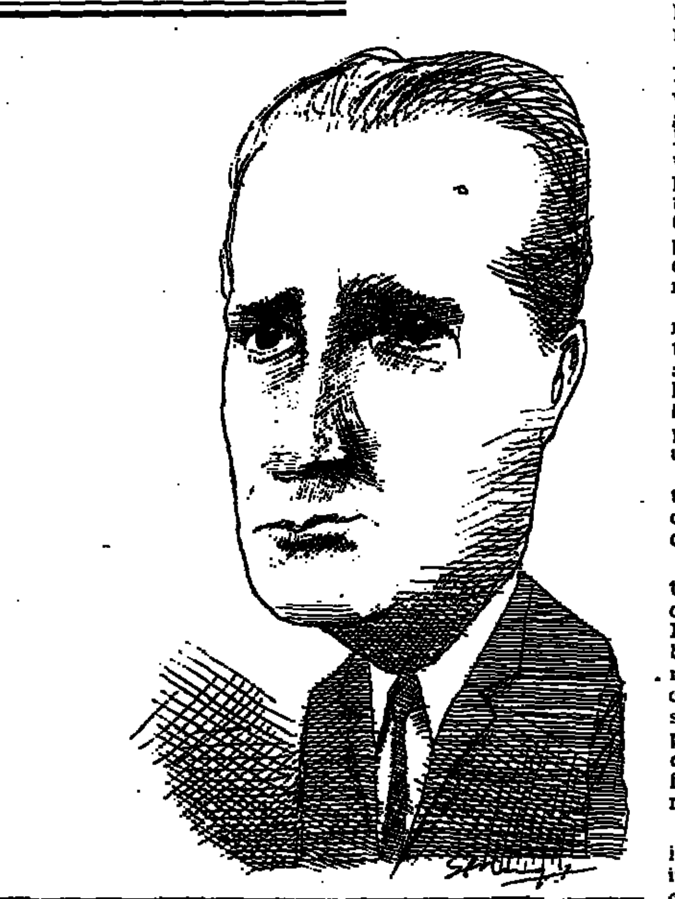
Manufacturers and industry sources.

Man in the News

Pieter de Koning

Test of mettle for the tin man

By John Edwards



"PARANOID." "mentally unbalanced": "should be made *to run a gauntlet* of traders round the 'ring.'" These were *just some of the more printable* suggestions to be heard yesterday in the London Metal Exchange on the subject of Mr Pieter de Koning.

Mr de Koning a pugnacious Dutchman, is the key figure in the crisis which hit the world tin market this week. The sums at stake are so enormous that there could be serious repercussions for governments, banks, the London Metal Exchange and possibly the whole City of London.

It was Mr de Koning's brief statement on Thursday morning as manager of the International Tin Council buffer *stock that there were* no longer sufficient funds available to continue supporting world tin prices which precipitated the crisis.

His job is to keep world tin *prices within an agreed* "floor" and "ceiling" range laid down by the *International Tin Agreement.* It is not strictly a cartel since the *Agreement represents* countries, both producing and consuming tin, *but it acts in a* similar way.

The function *of the buffer* stock is to stabilise prices by buying tin *to prevent prices* falling below the "floor" level and selling any surplus tin to stop the market going above the "ceiling." Since early 1982 the main battle has been to stop tin prices falling below the floor since the tin market is in chronic surplus.

Mr de Koning's adoption of an aggressive personal identification with *this task* has made him far from popular with metal traders. This is not surprising since many traders are concerned that their whole livelihood is at risk as a result of his announcement that the buffer stock was no longer able to deal in tin. Traders, who have *outstanding* contracts with the buffer stock, simply don't know where *they stand.*

Rumours are rife that unless the emergency meeting of the International Tin Council next week comes up with more funds to rescue the buffer stock, or provide government-backed loans, several metal companies could go bankrupt. This would have a knock-on effect on the whole structure of the Metal Exchange and the banks which provide the finance that is the lifeblood of the metals trading *industry.*

Yet until this week many metal traders were willing to concede, somewhat reluctantly, that "the man" as he is described in tin market circles, has done a marvellous job in "defending the impossible."

It was felt then that he had delayed the inevitable collapse of the tin price by a mixture of *bluff, clever dealings* and market manipulation:

A *few weeks ago,* even to suggest to Mr de Koning that he might have to concede defeat tended to trigger an explosive response that you were talking nonsense, didn't know the facts or were not worthy of consideration. Mr de Koning *might look like the international* civil servant he is, but *he is unlikely to win any prizes* for diplomacy. He speaks his mind boldly and forcefully.

This brusque manner has led to several clashes with traders *on the Metal Exchange.* In June this year, for example, *there was a furore when the* Exchange intervened after Mr de Koning had forced the sterling price of tin to record levels by starving the market of supplies and demanding huge premiums for the release of tin to traders with contractual commitments to deliver.

To be fair Mr de Koning, who can *also be very charming, has* had a rough time since becoming buffer stock manager. Even his appointment was controversial because the producing members of the Agreement wanted the powerful post of buffer stock manager to go to someone from a producer country.

After a lengthy debate they compromised *by appointing* a Malaysian as chairman of the Tin Council and giving the buffer stock to Mr de Koning. The Netherlands is a consumer country traditionally sympathetic to the aspirations of the developing world and has strong links with Indonesia, a major tin producer.

An experienced metals trader, Mr de Koning *spent a long time* with Billiton, part of the Shell *group, before moving to* Britain. He now lives in Surrey with his *wife and family. His powerful* personality soon helped restore *the strong influence in the* Tin Council of the buffer stock and pushed him into the *forefront* of the battle to control the tin market.

At one stage the buffer stock ran out *of tin,* and was *unable* to defend the "ceiling," when a mystery buying group (now known to have been supported by *Malaysia*) forced the tin price to record levels by buying up available supplies.

Mr de Koning had to pick up the pieces when this attempt to corner the market collapsed dramatically in early 1982.

In *spite of dissension within* the Tin Council, and growing *opposition from outside,* Mr de Koning managed to keep the buffer stock *in* control of the market by judicious juggling of currencies, financing, and constantly shifting his buy and sell positions to try to conserve diminishing funds as he was forced to take in more and more surplus tin.

Inevitably as the support buying *operations became increasingly* complicated, the member *countries of the Tin Council* became reliant on Mr de Koning to tell them what was going on. Next Week they will face the formidable task of deciding what to do next. Admitting defeat will come hard to Mr de Koning. *But it is difficult to* see how he can survive if the *market collapses and brings the* Tin Agreement, the world's oldest commodity pact, down with it.

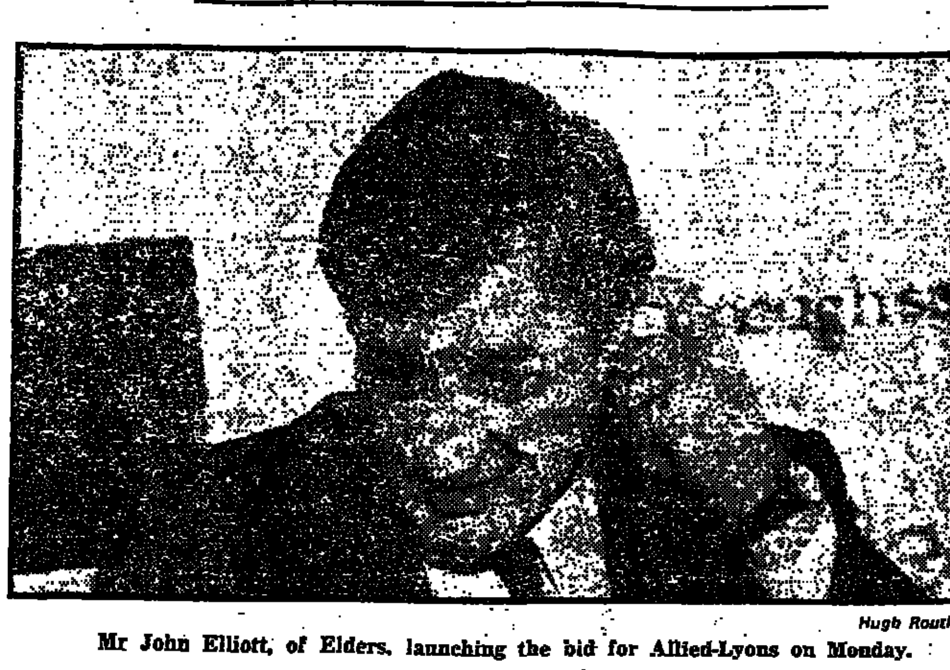
One trader, while expressing admiration for Mr de Koning's expertise, commented that his autocratic interpretation of the role of buffer stock manager, *had made failure inevitable.* "You can only stretch a piece of *elastic for so long before it* snaps back in your face," he commented.

BASE LENDING RATES

ABN Bank	11½%	■ Hambros Bank	11½%
Allied Dunbar & Co	*11½%*	*Heritable & Gen. Trust*	*11½%*
Allied Irish Bank	11½%	■ Hill Samuel	§11½%
American Express Bk.	*11½%*	*C. Hoare & Co*	*11½%*
Henry Ansbacher	11½%	Hongkong & Shanghai	11½%
Amro Bank	11½%	*Johnson Matthey Bkrs.*	*11½%*
Associates Cap. Corp.	12 %	Knowsley & Co Ltd	12 %
Banco de Bilbao	11½%	Lloyds Bank	11½%
Bank Hapoalim	11½%	Edward Manson & Co	12½%
BCCI	11½%	Meghraj & Sons Ltd	11½%
Bank of Ireland	11½%	Midland Bank	11½%
Bank of Cyprus	11½%	■ Morgan Grenfell	11½%
Bank of India	11½%	Mount Credit Corp. Ltd	11½%
Bank of Scotland	11½%	National Bk of Kuwait	11½%
Banque Belge Ltd	11½%	National Giro Bank	11½%
Barclays Bank	11½%	National Westminster	11½%
Beneficial Trust Ltd	12½%	Northern Bank Ltd	11½%
Brit. Bank of Mid East	11½%	Norwich Gen. Trust	11½%
■ Brown Shipley	11½%	People's Trust	12½%
CL Bank Nederland	11½%	PK Finans. Intl. (UK)	12 %
Canada Permanent	*11½%*	*Provincial Trust Ltd*	*12½%*
Cayzer Ltd	11½%	R. Raphael & Sons	11½%
Cedar Holdings	*12 %*	*Roxburghe Guarantee*	*12 %*
■ Charterhouse Japhet	11½%	Royal Bank of Scotland	11½%
*Choulartons***		*Royal Trust Co Canada*	*11½%*
Citibank NA	11½%	Standard Chartered	‖11½%
Citibank Savings	*§12½%*	TCB	11½%
City Merchants Bank	11½%	Trustee Savings Bank	11½%
Clydesdale Bank	*11½%*	*United Bank of Kuwait*	*11½%*
C. E. Coates & Co Ltd	12 %	United Mizrahi Bank	11½%
Comm. Bk. N. East	11½%	Westpac Banking Corp.	11½%
Consolidated Credits	11½%	Whiteway Laidlaw	12 %
Continental Trust Ltd	11½%	*Yorkshire Bank*	*11½%*
Co-operative Bank	*11½%		
The Cyprus Popular Bk.	11½%		
Duncan Lawrie	11½%		
E. T. Trust	12 %		
Exeter Trust Ltd	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	12½%		
First Nat. Sec. Ltd	12½%		
■ Robert Fleming & Co	11½%		
Robert Fraser & Ptrs	12½%		
Grindlays Bank	‡11½%		
■ Guinness Mahon	11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.00%. 1-month 8.50%. Top Tier—£2,500+ at 3 months notice 11.25%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 8.00% gross.
‖ 21-day deposits over £1,000 9.25%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand dep. 8%. Mortgage 13%.

The £1.8bn bid for Allied-Lyons



Hugh Routledge

Mr John Elliott, of Elders, launching the bid for Allied-Lyons on Monday.

An Elders bayonet behind the beerage

By Martin Dickson

IT WAS an incident both incongruous and embarrassing: and one which at a stroke highlighted the deep clash of financial cultures that underlies—and imbues with so much passion— this week's record £1.8bn takeover bid for Allied-Lyons, the food and drinks group.

The venue: the Barber-Surgeons' Hall in the City, a building epitomising London's centuries of history as a commercial centre. The occasion: the press conference at which Elders IXL, the Australian brewing and agricultural group, unveiled the long-awaited bid for Allied. The speaker: Mr John Elliott, the 43-year-old chief executive of Elders: a man with the build of a rugby player, the face of a pugilist and a reputation as one of the new breed of daring Australian entrepreneurs.

For Elders, it was a vitally important occasion. Its well-aired plans to launch an audacious bid for Allied, four times its size, had already aroused controversy and touched a deep well of British chauvinism. This was an occasion to woo the City.

Mr Elliott went into a long, witty and impressively delivered speech: he has a fluency and easy command of the public occasion which many British company chairmen lack. He castigated Allied's "tired" management, he sang the praises of Foster's lager ("the amber nectar"), Elders' best-known beer, and he added a little gravitas to the occasion with a quote from Winston Churchill.

The speaker then turned to the subject of lavatory paper. Lavatory paper? His audience could not quite believe their ears. His British financial advisers stared hard and expressionless into the middle distance.

Mr Elliott, chuckling the while, told a long story which he said underlined Allied's poverty of management. A memo had apparently gone out to staff in its Victoria Wines subsidiary, banning the use of coloured lavatory paper because of evidence that this would make female staff more susceptible to haemorrhoids than white paper.

The joke was ill-judged. It played right into the hands of Allied, which has adopted an attitude of lofty scorn to Elders, which it would like to portray as a vulgar and irresponsible Australian corporate raider.

"It's the kind of remark that might go down well in a men's bar in Wagga Wagga," said one observer, rather pompously, "but not in the Barber-Surgeons' Hall."

In itself, the incident is trifling—Mr Elliott's bid will stand or fall by the colour of his money, rather than that of his jokes (and there are many who find his unstuffy sense of humour refreshing). But it does underline how his style, and more especially his type of bid, are something new for the City of London.

...The bid for Allied is Britain's first major experience of a controversial phenomenon already common in the US and Australia: a highly leveraged takeover in which a smaller company acquires a larger one through the issue of large amounts of debt.

In the case of Elders, the money is being put up by a constortium of eight international banks, led by Citicorp, the world's biggest. If the bid succeeds, it could set a pattern, producing a substantial upheaval in the ranks of Britain's blue-chip companies.

It is early days yet, but much of the initial City reaction has been hostile, on grounds of price, principle and presentation. Elders' stock went down when it abandoned earlier plans to put together a consortium of companies to bid for Allied —a move seen as a sign of weakness rather than strength.

It also stirred up suspicions by failing to make clear at the outset the structure of the company established as a vehicle for the bid.

There is wide agreement that at 255p a share the current offer is far too low to succeed. "A waste of everyone's time," said several irritated analysts. However, Mr Elliott may be just making a sighting shot to test whether his bid will be referred to the Monopolies Commission.

Two issues of principle have been raised by the bid. First, the instability inherent in companies taking on so much debt. No less a figure than Mr David Walker, a senior Bank of England official, weighed in to this debate on Thursday night, when he expressed concern lest the UK follow the American pattern of gearing.

The second issue concerns Mr Elliott's intentions for the company. He wants to sell off Allied's large food division, J. Lyons, whose products include Lyons tea and ice cream. This has raised some uncomfortable memories in the City of the late 1960s and early 1970s, when asset stripping was all the rage.

Mr Elliott thinks that the initial City response to his bid has been unfair. "The Press keeps talking about us as asset strippers, which is just sheer nonsense if you look at our record. "Elders, he says, is "one of the few companies prepared to make a high investment in the UK." Allied, he insists, is one of the "worst managed companies in Britain" and he sees himself as a catalyst to turn it round — whether the parts be in his hands or of those companies who buy the food businesses.

Ultimately, Allied's fate lies in the hands of the City institutions who hold most of the company's shares. The Elders team has not yet seriously started to drum up their support, but one leading fund manager who has met Mr Elliott says: "He's an interesting guy. He's likeable, I didn't find him arrogant, and he's done a lot of homework."

"We are not, in principle, opposed to David and Goliath bids," he adds. "That may be one of the most effective ways of changing a management. But you have to be very careful it's not a Slater Walker asset strip. That we do oppose."

However, fund managers admit that if Elders raises its bid sufficiently they might then face a dilemma, pitting principles against a good price

Much, therefore, may depend on the persuasive skills over the coming months of the team Elders is fielding: apart from a group of senior company executives (with Mr Elliott going back and forth to Australia) there is an eight-man team from Hill Samuel, the merchant bank, and there are some 10 Citicorp staff in London, Melbourne and New York.

For all three parties, the stakes are very high. Mr Elliott has enjoyed a meteoric career as a businessman in Australia, building Elders up into one of the country's biggest companies through a series of audacious takeovers. He reversed his original company, Henry Jones IXL, into the much larger Elders in 1981 and two years later took over the even bigger Carlton and United Breweries

But the battle for Allied is by far his biggest test yet, and on an international stage where failure would be the more embarrassing.

The bid provides a great opportunity for Hill Samuel, whose team is led by 39-year-old Christopher Roshier, a tall, slim man with a slightly academic air.

Once one of the stars of corportate finance, the bank's reputation and profits dipped badly in the late 1970s. There has been a dramatic turnround since the arrival of chief executive Christopher Castleman in 1980. Profits have soared and last year, for example, Hill Samuel was among the leading London books in the number of flotations (including that of Jaguar) and rights issues.

But in the sphere of takeovers and mergers, Hill Samuel is generally regarded to be outside the top league of S. G. Warburg (Allied's adviser), Morgan Grenfell and Kleinwort Benson.

For Citicorp too, the bid is a great opportunity. With the City revolution just around the corner, the bank is intent on becoming a major force in British merchant banking–

"To get a position in this market we've got to use what we've got—extremely good credit expertise and lending capacity," says Mr Colin Scotland, who heads the bank's UK corporate finance side.

Citicorp provided finance for Mr Elliott's takeovers of both Elders and Carlton United. "Our overt involvement now," says Mr Scotland, "reflects our view of Elders' management and its ability to do what it says it will do. However, under no circumstances would we back a bid for a company with which we had a relationship."

The question tantalising the market is whether Citicorp's enthusiasm both for Mr Elliott, and for a greater presence of its own in UK merchant banking, will eventually produce a much higher offer.

"Who knows whether it's all bluster?" asks one leading fund manager. "But I am rather pleased that they've gone ahead. Whatever happens, Allied will never be the same again. The beerage (the UK brewing industry) can do with a bayonet behind it."

Macy's buyback

Mr Finkelstein's $3.6bn management tonic

By William Hall in New York

"IF YOU haven't seen Macy's you haven't seen New York shouts the billboard above what claims to be the largest store in the world, on the corner of New York's Herald Square.

A sleazier setting for a department store once described as New York's answer to Harrods of London could scarcely be imagined. It is an area of cheap discount shops, tawdry street vendors and ugly fastfood outlets.

Macy's has no prestige Fifth Avenue address, unlike rivals such as Saks, Tiffany and Bergdorf Goodman. Nevertheless, it continues to attract more customers than any other New York department store. Even its competitors admit that it has become a benchmark for success in the U.S. retailing industry.

Ten years ago Macy's New York flagship was little more than a vast, grim warehouse. Customers were deserting it for newer and more fashionable rivals. However, under the leadership of Macy's current chief executive, the 60-year-old Ed Finkelstein, Macy's has been transformed into a high-powered machine serving the growing numbers of young, affluent and fashion-conscious customers with chic merchandise.

Macy's is more than a store, it is a New York institution. Its annual Thanksgiving Day parades and firework displays have ben a familiar sight for millions of Americans since the 1920s and the New York store, the biggest in Macy's 100-strong chain, even inspired a movie "Miracle on 34th Street."

But lately Macy's "merchandising miracle" has begun to look a little tarnished. Profits slipped last year, the first reverse in a long time competitors have pinched many of Macy's more successful ideas and key staff have begun to desert.

So this week, Mr Finkelstein decided to reinject some razzle-dazzle into his 127-year-old business. He and some 200 of his key executives plan to buy back Macy's from its shareholders in a $3.6bn deal.

Wall Street was overjoyed by the announcement. Mr Finkelstein and his bankers—who still have to be lined up—are planning to pay $70 cash for each Macy share. That is nearly three times book value and 19 times historical earnings. The price exceeds even the most

optimistic forecasts of a week ago.

Either Mr Finkelstein and his colleagues are crazy or they know what their business is really worth. Wall Street analysts subscribe to the latter view and have been calculating some pretty heady values for the rest of the retailing sector.

"This is wonderful." says Alan Silverman, a retailing analyst with Evans and Co. "It means all my department stores are now in play." which is investment banking parlance for saying that companies are ripe for takeover.

If the performance in other sectors is any guide, Macy's planned management buy-out is likely to precipitate a rash of restructurings. Indeed, just a day after Macy's announcement Household International unveiled plans to sell its far-flung retailing interests for $700m.

Ed Finkelstein is deliberately opaque when asked why he has launched the biggest takeover bid in U.S. retailing history. "When you ask 'why?' you do not do it. When you ask 'why not?' you do it," says Finkelstein, whose 37-year career at Macy's has been marked by a series of bold and often controversial moves.

When he took charge of Macy's 2m sq ft store in New York in 1974, several of his colleagues favoured a radical scaling back of the size of the operation. Instead, Finkelstein invested heavily, moved upmarket and began pushing Macy's own brands. In a few years he turned the Herald Square flagship into one of the smartest stores in New York and the customers flocked in.

More recently, he has committed the company to spending $250m a year expanding its traditional department store empire into the so-called "sunbelt" states of the south.

This heavy investment has depressed earnings and given rise to speculation that the planned buy-out is designed to pre-empt a hostile takeover bid.

Not so, says Mr Finkelstein. But it is clear that he is anxious to escape the short-term financial performance pressures which come with a Stock Exchange listing.

There is no question in his mind that a privately-owned company is the best vehicle for running a retailer. It enables management to take a longer-term view of the company's performance without having to justify every quarterly blip in the earnings figures to a critical community of Wall Street analysts.

Equally important, however, is that by giving senior management a stake in the company Mr Finkelstein hopes to stem the drain of top talent. "It became clear we had to do something to energise and stabilise management," he says.

While most Wall Street analysts still regard Macy's as one of the best-managed department store groups in the U.S., not all are as bullish as Mr Finkelstein about its future prospects.

Stuart Robbins, who follows Macy's for Donaldson, Lufkin

Fred Wintzer, an analyst with Alex Brown and Sons, says Macy's needs a breather to put a new growth strategy in place. That is hard to do with stockholders who are only looking to the short-term."

Macy's is not the only U.S. retailer which is rethinking its future, but until now most of the restructuring has been confined to smaller, less well-known companies.

However, new types of retailers are challenging the dominance of the traditional U.S. store groups, while the market's growth is limited. Many household names are having to transform their business to face up to the new competition. Wall Street is getting impatient, as Macy's has discovered.

Letters to the Editor

Capital works

From Mr G. Sharp

Sir,—I had three years at Cambridge University reading economics and John Maynard Keynes passed on to me similar views about the danger of allowing the economy to drift as those expressed in the article by Anthony Harris (October 19). If there were jobs that needed doing and we had the resources to do them, including qualified labour, it was in the national interest to do them.

In 1924 Keynes believed that unemployment did need a drastic remedy and urged the construction of needed capital works at home financed by a loan of, say, £100m, which could be better spent here than a loan to a foreign country which also failed to repay it. He warned however of the danger of inflation and quoted Lenin's view that the best way to destroy the capitalist system was to debauch the currency. He could have added that this would be furthered if higher rates of pay followed the additional work and would add to the debauching effect on the currency of the annual rate of inflation we have now.

Keynes would have been appalled by the doctrine that it is better to have over 3.5m unemployed being paid for doing nothing when there are needed jobs many of them could help to do well. Local authorities have had to reduce their employment and services not only because of the reduced percentage grant out of central taxation but because of the heavy financial penalties if they dared to spend more than ordained by London. Anthony Harris may be right in thinking there is a lack of a spirit of adventure as well as complacency in our leaders who taboo capital works as advocated by Keynes. Do they not also seek to increase private expenditure and extravagance at the expense of needed public services and the toleration of high unemployment?

Keynes helped to negotiate a large loan from the U.S. to Britain after the war to help with our reconstruction. Many of our public services are on the decline because maintenance and expansion funds are not provided. This is not economy but waste and we need a change.

Granville Sharp.
31, Wilmington Close, Hassocks, W. Sussex.

He knows, you know

From Mr R. Skepper

Sir, — There are only two people this century who appear (at the time) to have enjoyed the absolute certainty that they "knew" what was the correct economic policy for this nation. One was Montague Norman, the other Nigel Lawson.

The former's policies proved in retrospect to have been the greatest disaster of the time. Is the report of the select committee of the Lords perhaps giving us an advance warning signal of the likely results of Mr Lawson's conviction of his own infallibility?

R. B. Skepper.
Ferry Farm, Sudbourne, Woodbridge, Suffolk.

Politicians' placebos

From Mr S. Brooks

Sir,—Malcolm Rutherford writing on the changing moods of Dr Owen (October 18) claims that Owen's political thinking is remarkably close to that of Mrs Thatcher. He cites as his evidence the assertion that: "Both want a more competitive economy: both want to arrest the country's relative decline: both say that it will take the lifetime of two or three parliaments decisively to change direction."

A fiver to Mr Rutherford for the name of any politician to the right of Derek Hatton, who is prepared to state publicly that he wants a less competitive economy, is satisfied with the country's decline and sees no problem that can't be put right in a jiffy.

Stephen Brooks.
(SDP/Liberal Alliance Prospective Parliamentary Candidate Ealing-Acton)
46, Boileau Road, W5.

World chess politics

From Mr R. Sparkes

Sir, — Dominic Lawson's article (October 19) gave a fascinating account of the political undertones to the current world chess championship match. It is a shame that it was spoilt by a few factual inaccuracies.

That the world championship match should be the best of 24 games, with a tie match counting in the champion's favour, is not "specifically designed to favour the champion," ie, Karpov. These are the rules governing world championships as they stood from after World War II until 1975, when they were changed at Bobby Fischer's demand.

It may well be wrong that Karpov has the right to a rematch if he loses, but this right is not "exceptional." It stood from 1950 to 1961, and was successfully exercised by world champion Botvinnik in 1958 and 1961 respectively. The remark attributed to Ray Keene, that "Karpov is the most insulated world champion in history," is nonsense. Prior to 1948, when the world chess authority, FIDE, took it over, and right to a match was the personal gift of the world champion, who could play whom and when he wanted. Hence extremely strong players like Rubinstein and Nimzovich were never given the chance to play for the world championship.

England has at last produced a genuine world championship contender in the shape of Nigel Short. Until we get the chance to root for him, surely English commentators should maintain at least some of their traditional impartiality?

R. Sparkes.
43, Lyric Road, SW13.

Post Office history

From Professor T. C. Barker

Sir,—I have rarely read a less responsible review than A. L. Rowse's (October 19) on Martin Daunton's Royal Mail: The Post Office Since 1840. It is the duty of a reviewer to tell his readers what is new in a book, not merely to repeat his preconceived opinions (supported by an old entry in the Dictionary of National Biography) and to suppress the fact that the author has been able to present the Post Office in a completely new light as a result of his discoveries in the Post Office archives and elsewhere.

As it happens, Dr Daunton makes a very reasoned case for cutting Rowland Hill, that very able self-publicist, down to size.

He also has very important and revealing things to say about the remarkably high earnings and good holidays with pay of letter carriers before the First World War and, to some extent, until the second. This goes far to explain the efficiency of the service and, *per contra*, its more recent deterioration which is only now being remedied by mechanisation (all topics discussed in the book). The efficiency of the Post Office has long been an essential element in the country's business life besides being a useful source of national revenue.

None of this from A. L. Rowse —and in the Financial Times at that. He is content, very unjustly, to dismiss as heavy, institutional history what is, in fact, a very remarkable resourceful, well-researched and readable book.

T. C. Barker.
London School of Economics,
Houghton Street, WC2.

The Belgian debate

From Mr J. van Gindertael,

Sir. — This is simply to add a post-script to Paul Cheeseright's excellent portrait of Wilfred Martens (October 19).

The reason Mr Martens is determined to leave communal and institutional issues in the freezer reflects the aversion of most Belgians for a debate which has lost much of its erstwhile significance. Federalism was "in" during the 1970s and brought about a disasterous constitutional reform which pitted Flemish and Walloons against each other to a larger extent than before. The loss endured by both federalists parties (Volksunie and FDF) at the polls shows that strength must be restored to the central State. Mr Martens understood this very well but perhaps did not make the point forcibly.

The second comment that could be made centres on Belgium's position within Europe. Strangely enough, with national elections due in France, the Netherlands, the Federal Republic of Germany in the period 1985-1989, Belgium may be the only EEC country on the continent where a modicum of stability may prevail in the next few years.

J. M. van Gindertael,
*Berkenhof,
Bellemansheide 98,
1640 Rhode-St.-Genese,
Belgium.*

Distribution is relevant

From Mr M. Graham

Sir,—Malcolm Rutherford (October 18) states that Dr Owen, presented with the major occasion of an audience from the Institute of Directors, "lapsed . . . into a speech about maritime policy that was irrelevant to the audience." True there are other subjects higher in the pecking order, but how odd of Mr Rutherford to assume that the means of distribution of our overseas trade is "irrelevant" to an audience of company directors and that mention of the movement of our exports (Dr Owen reminds us that we have to export nearly one-third of our national product) should constitute a "lapse."

On the contrary, the subject is especially relevant to the denizens of British boardrooms. In too many of them distribution is still regarded as irrelevant. It is there that the least progress has been made in applying the principles of physical distribution management (PDM). My institute has evidence that in about half British boardrooms the methods of exporting are never discussed at all. Even if an exaggeration this indicates that something is seriously wrong. Dr Owen's angle on the subject inclined towards the defence implications. Nevertheless, a speech dwelling on the state of the shipping industry by a leading British politician to an audience of directors is both relevant and well chosen.

M. Graham.
(Chairman Overseas Trade Committee),
Institute of Physical Distribution Management,
*Management House,
Cottingham Road,
Corby, Northants.*

Changes in employment

From Mr A. Rajan

Sir,—Michael Prowse's piece (October 14) served to highlight the imbalance in the recent growth in employment.

If I have any reservations about his analysis they concern the finance sector. Having identified it as a principal area of growth in the recent past, he could have emphasised two well known points. Under the joint impact of new technology and competitive diversification, this sector no longer has the same growth potential. Furthermore, such potential that it has, distinctly favours part-time work that holds special appeal for new entrants to the labour market, rather than those registered as unemployed.

These developments are symptomatic of the structural transformation occurring in all service industries amenable to information technology.

Amin Rajan,
Institute of Manpower Studies,
*Mantell Building,
University of Sussex,
Falmer, Brighton, Sussex.*

Money talks to everyone

From Mr T. Tyler

Sir.—When will the Robin Pauleys (October 17) stop trotting out their ethnic Aunt Sallies?

Employers employ. The most profitable applicants for jobs are hired, trained, rewarded, retained. The colour which employs people worldwide is not ethnic, it's green.

T. J. Tyler.
5, Hatton Garden, EC1.

BUILDING SOCIETY RATES

	Share	Sub'pn	Other
Abbey National	7.00	8.00	8.75/9.00/9.25/9.50 Five Star acc —instant access/no penalty
			9.50 Higher interest account 90 days' notice or charge
			5.50/8.31 Cheque-Save
			9.05/9.50 "City" Cheque-Save
Aid to Thrift	*10.20	—	— * Easy withdrawal, no penalty
Alliance and Leicester	7.00	8.00	9.75 Premium Plus min. £500, immediate withdrawal (penalty if balance left is under £10,000) interest annually/mthly.
			8.75 Banksave Plus balance £2,500+, 7.75 under £2,500 current account minimum initial investment £500
			8.75 Gold Plus, minimum £500, immediate withdrawal, interest annually or monthly
Anglia	7.00	8.00	9.00 Instant Gold £250-£4,999. No notice/penalty
			9.25 Instant Gold £5,000-£9,999. No notice/penalty
			9.50 Instant Gold £10,000+. No notice/penalty
Barnsley	7.00	9.00	9.95 Summit account — £1,000+ — 3 months' notice
			8.85 Special invest. (28 days' notice) 8.55 monthly inc a/c
Bradford and Bingley	7.00	8.00	9.50 No notice no penalty on up to 2 withdrawals per annum
			9.75 3 months' notice without penalty
Bristol and West	7.00	8.00	8.75 Plus account £1,000+. No notice. No penalty
			9.55 £10,000+, 9.30 £5,000+, 9.05 £1,000 7-day notice Triple Bonus. Also monthly income
			9.75 Special 3-month account, £5,000+, 3 months' notice
Britannia	7.00	8.00	9.50 60 days' notice
Cardiff	8.50	8.60	9.80 90 days' notice or penalty if balance under £10,000
Catholic	7.30	8.30	10.00 £2,000+ Jubilee Bond. Monthly income. 90 days' notice
Century (Edinburgh)	8.85	—	9.30 Guaranteed rate 2/3 years (or variable account)
Chelsea	7.00	8.00	9.85 Immediate withdrawal interest pen. or 3 months' notice
Cheltenham and Gloucester	—	8.00	9.50 Cheltenham Gold. No notice. No penalties £5,000+ 9.50, £500-£4,999 9.00, under £500 7.00. Monthly income avail.
Cheshunt	7.00	8.50	9.75 £20,000-£250,000, 9.25 £1,000-£19,999 inst. acc. no pen.
City of London (The)	7.25	8.75	9.80 3 months' notice—no penalty—monthly income
			9.00 7 days' notice, immed. access for amounts over £2,000
Coventry	7.00	8.25	9.85 3-year bond £1,000+, close 90 days' notice and penalty, monthly income option, guaranteed 2.85 differential
			9.55 Moneymaker £10,000+, 9.30 £5,000+, 9.00 £1,000+ instant access no penalty, monthly income option
Derbyshire	7.00	8.25	9.75 3 months' notice. Up to 9.50 no not./pen. monthly int.
Frome Selwood	7.00	10.50	10.50 Gold Minor account for 0-18-year-olds
Gateway	7.00	8.00	9.65 Gold Star £10,000+. No notice. No penalties. 9.30 £5,000+, 9.00 £1,000+ monthly interest available
Greenwich	7.00	—	9.75 60-day account (no notice account 8.75-9.25)
Guardian	7.65	—	10.00 6 months' notice £1,000 min. access to bal. £10,000+
Halifax	7.00	8.00	9.50/9.00/8.50/8.00 Instant xtra (minimum £500)
			9.50 90-day xtra. 90 days' notice/no penalty (minimum £500)
			9.00 Cardcash (£2,000+), 7.00 (£1-£1,999)
Heart of England	7.00	8.25	9.80 and 9.55 High Interest. 8.50 Gold Key
Hemel Hempstead	7.00	8.50	10.00 90 days, 9.00 60 days, 8.75 28 days
Hendon	8.00	—	9.00 7-day account. Minimum £500 3-month 9.75
Hinckley and Rugby	7.00	9.80	10.00 £20,000 High Rise wdl. no pen. Rate varies with balance
Lambeth	7.15	8.25	10.00 Und. £10K. 10.25 ov. £10K mag. a/c 6 w. + loss of int.
Leamington Spa	7.10	—	8.75 Spa income monthly no notice/penalty £5,000 minimum
			9.50 High flyer—no notice/no penalty £20,000 minimum
			9.25 High flyer £5,000 minimum. 9.00 £500 minimum
			10.15 Super share no not., 14 days' penalty £20,000 minimum
			9.85 Super share £5,000 minimum, 9.25 £2,000 minimum
Leeds and Holbeck	7.00	8.75	9.75 Monthly interest. 9.25 28 days' notice, 9.65 60 days' notice or penalty, neither if £10,000 still in account
Leeds Permanent	7.00	8.00	9.50 HRAS 3 months' notice. Liquid Gold 9.00 £500+, 9.25 £5,000+, 9.50 £10,000+. No penalty/no notice
London Permanent	7.75	—	9.00 28 days' notice or immed. wdl. no pen. if bal. £5,000+
Midshires	7.00	—	9.25 £500+ inst. acc./no pen. £100-£499 7 days' notice
			9.50 3-yr. term. 2.50 gtd. £500/£1,000 M.I. 3 mths.' not./pen.
Mornington	9.10	—	9.10 £2K, 9.25 £2K+, 9.35 £10K+, 9.50 £20K+
National Counties	‡7.30	8.55	9.80 90 days' notice, no penalty £10,000+. ‡ £1,000
National and Provincial	7.00	8.00	9.50 APEX 3rd iss. (+2.50 gtd. 3 yrs.) 60-day notice/penalty
			9.50 Special share 60-day notice/penalty unless £10,000+
			9.50 Money man. £5,000+. No notice, no penalty
Nationwide	7.00	—	9.00 Flex Account £2,000+, 7.25 £25-£1,999
			9.50 Bonus Builder £10,000+, 9.25 £5,000+, 9.00 £2,000+, 8.75 £500+, 8.00 £100+, no notice, no penalty
			9.50 Capital Bonds 3 yrs., 2.5 gtd. diff. 90 days' not./pen.
Newcastle	7.00	8.25	9.50 Plus bonus. Two-year term. 9.00 28 days' notice, 8.75 7 days' notice. On demand by arrangement
Northern Rock	7.00	8.25	9.55 Moneyspinner plus £10,000 or more
			9.30 Moneyspinner plus £5,000 or more
			9.05 Moneyspinner plus £500 or more
Norwich	7.00	8.25	8.75 7-day/monthly income option/9.00 on £10,000+
Peckham	7.65	—	8.65/9.75 immediate withdrwl. if over £2,000. Monthly income
Peterborough	7.00	8.30	10.00 Double guarantee. 3% diff. gtd. 90-day monthly interest
Portman	7.00	8.25	9.90 Gold seal. Min. £1,000, 1-yr. term then 3 months' notice
			9.00 Flexi-plus. Minimum £500 no notice immediate withdwl.
Portsmouth	7.15	8.65	10.00 3-year, 9.80 90-day, 9.15 30-day, 8.70 7-day
Property Owners	7.50	9.00	10.25 2 y., 10.00 £20K+, 9.75 £10K+, 9.50 £5K+, 9.30 £500+
Regency	7.00	—	8.75 7 days, 9.10 1 month, 9.25 2 months, 8.90 3 months
Scarborough	7.00	8.25	9.20 Over 55s no pens. M.I. min. £10,000 9.20 no not./pen.
Skipton	7.00	8.25	8.85 Sovereign £5,000+, 9.25 £500-£4,999 monthly income 9.35 minimum investment £2,500 instant access no pen.
Stroud	7.00	8.25	10.25 2 years, 10.00, 9.75, 9.50, instant or notice
Sussex County	7.00	8.50	9.75 90 days, 9.50 monthly income, 9.25 instant access
Thrift	9.20	—	10.20 3-year term. Other accounts available
Town and Country	7.00	—	9.75 2-year term £10,000+, 9.50 £500-£9,999 wdrwl. available
			9.80-5.75 Moneywise cheque/Visa. Interest varies with bal.
			9.75 Super 60 ½-yearly interest £500, wdl. avail., mthly. inc.
Wessex	9.10	—	— No notice—no penalties—minimum £1
Woolwich	7.00	—	9.00 Prime £500+, 9.25 £5,000+
			8.50 £10,000+, no notice no penalty
			9.50 Capital, 90 days' notice/penalty. Minimum £500
Yorkshire	7.00	8.00	9.80 Plat. key £10,000+ wdl. no pen. −£10,000 60 d. nt./pn.
			9.50 Classic Key Monthly Income

All these per cent rates are after basic rate tax liability has been settled on behalf of the investor

Purchases help Beazer surge 40%

BY DAVID GOODHART

C. H. Beazer (Holdings), the Bath-based national housebuilder, yesterday announced a 40.2 per cent increase in pre-tax profits to £15.8m against £11.28m for the year to June 30.

The figure was marginally above the company's £15.7m estimate made earlier in the month at the time of its unusual tender offer for SGB Group, which has now lapsed ,and in line with market expectations.

The fast-growing housebuilder, which also has interests in property, contracting, and engineering saw its turnover increase by 43.8 per cent to £190.7m (£132.6m). Earnings per share increased by 17.1 per cent to 43.37p (37.05p) and total dividend by 14.3 per cent to 12p (10.5p), with a recommended final of 8p (7p).

Referring to the recent tender offer for 25 per cent of SGB, Mr Brian Beazer, chairman, said that the minimum 12 per cent figure would have been comfortably reached if it had not been for the last minute intervention of BET with its three-for-four all-share offer.

"We were very disappointed by that development," said Mr Beazer.

It appears that the company is keeping open all its SGB options. The company still holds 2m shares (4.9 per cent) which it bought at an average price of 147p. SGB's closing price last night was 266p, up 6p.

There were several market rumours yesterday that Beazer might be preparing to bid for a housebuilding company.

Housebuilding accounted for about 70 per cent, more than £10m, of Beazer's pre-tax profits, compared with a little more than 60 per cent (£6.3m) last year. It completed and sold 3,000 houses and integrated the activities of William Leech.

This year it plans to sell 5,000 houses. Mr Beazer said the company had become a truly national housebuilder, which ranked among the top five in the country.

The other four divisions—property, contracting, products and investment—all increased turnover and profits. Property made the biggest leap from £310,000 last year, to about £2m, thanks in part to the acquisition of

Mr Brian Beazer, chairman.

M. P. Kent. Contracting contributed about £790,000. The two quoted subsidiaries, the BM Group and Tod, also produced increased profits.

Mr Beazer said: "Our successful corporate activities during the year were centred on our housebuilding and property activities. With the acquisition of William Leech and M. P. Kent we have gained national representation in both residential and commercial property.

"In addition the significant step of acquiring Cohn Communities in Atlanta gives us a base in the U.S. housing market. The success of this venture will provide Beazer with a long-term presence in the housing industry in the south-east U.S."

A one-for-one scrip issue will be proposed at the annual meeting. There was a rights issue of £21m in May.

Net attributable profit for the year is £10.04m. The extraordinary credit consisted principally of the profit on the sale of shares in the Bath and Portland Group.

In the last year Mr Terry Upsall became chairman of the Housing and Property activities and Mr Matthew Thorne joined the holding board as investment director. The group now employs about 4,000 people.

Beazer closed up 4p at 476p.

See Lex

Gas offshoot boosts Hopkinsons to £3.1m

PRE-TAX profits for Hopkinsons Holdings improved by 21 per cent in the six months to the end of July 1985 on turnover ahead by 10 per cent. Directors say that all parts of the group are trading profitably and add that despite the difficulty in sustaining margins they are determined to maintain their position.

On turnover of £32.23m (£29.4m), pre-tax profits for this Huddersfield-based maker of boiler mountings and valves rose from £2.56m to £3.1m.

Earnings per 50p share came out at 8.6p against 6.5p, adjusted for the one-for-four scrip issue last year. The interim dividend is being raised from an adjusted 1.2p to 2p, but directors say that this should not be taken as an indicaion of the year's total.

The potential of the Bryan Donkin subsidiary, which supplies mainly to gas undertakings throughout the world, is being realised, the directors say. To support the growth a £2m re-equipment scheme is being carried out.

Trading profit came out at £2.79m (£2.47m) with interest received and other income adding a further £279,000 (£69,000) and £30,000 (£22,000) from leasing rental less finance charges.

The tax charge was £1.34m (£1.23m), leaving attributable profit for the period at £1.76m against a comparable £1.33m.

● comment

Those highly profitable contracts for nuclear plants are all but over for Hopkinsons Limited and so it is back to the bread and butter work of valves for process plant—where the margins are nowhere near as good—until Sizewell B is resolved. Even if the decision goes against Sizewell, the management is confident that spending will be redirected to other plants and the order book should fill with high margin work in three to four years. But meantime it is the fast-growing Bryan Donkin which is providing expansion for Hopkinsons Holdings. The UK gas industry is spending heavily on its infrastructure and Donkins is looking towards at least five years of good growth. In terms of profits Donkins is probably as big as Hopkinsons Limited, together accounting for around 90 per cent of the group total. For the full year profits might reach £6½m pre-tax. The purchase of Atwood & Morrill will not impact until next year giving, as it does, an important foothold in the U.S. The shares held at 164p yesterday where the prospective p/e of 8¼ looks suprisingly modest.

Successful six months for Floyd Oil

Floyd Oil Participations has lifted its pre-tax profit from £221,000 to £659,000 in the year ended June 30 1985, and is optimistic for the future.

The company expects to enter 1986 with a cash flow of £4m and no debt. The funds will be used to follow up on the success in the East Midlands and to take advantage of suitable investment opportunities.

Three oil discoveries have been made: Farleys Wood (Notts) producing 160 barrels of oil per day; Whisby (Lincs), where long-term test production is just starting; and Cropwell Butler (Notts) which is awaiting further appraisal.

In the East Midlands the commitment well programme is well advanced. Three more wells will be drilled in the remainder of this year, leaving five in 1986, when 50 per cent of the licences must be relinquished.

The most prospective half of this acreage, spread over five counties, will be held for another 20 years.

Subject to the prior consent of the Secretary of State for Energy, the company will farm out half of its 50 per cent interest in three wash licences to Dow Chemical. Two exploration wells are expected to be drilled in the first half of 1986, at no cost to the company.

Applications for blocks in the first UK onshore licensing round have been submitted

Floyd has reached agreement, subject to government approval, to sell its interest in the Claymore Field for $5.8m with effect from January 1 next.

In the year 1984-85 turnover came to $4.3m (£559,000) and the operating profit of £900,000 (£224,000). The latter was struck after a "prudent provision" of £568,000 relating to the U.S. in the second half of the year, as a result of the regular assessment of reserves and the carrying value of all its interests in the light of prevailing economic circumstances.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Oct 25 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Thurs Oct 24 Index No.	Wed Oct 23 Index No.	Tues Oct 22 Index No.	Year ago (approx.) Index No.	1985 High		1985 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (206)	544.91	−0.1	10.61	4.17	11.82	13.61	545.52	545.13	541.56	519.29	577.15	22/1	483.30	25/7	577.15	22/1/85	50.71	13/12/74
2	Building Materials (22)	607.41	+0.8	10.80	4.42	11.53	15.29	602.64	597.45	592.42	476.84	607.41	25/10	472.11	26/2	607.41	25/10/85	44.27	11/12/74
3	Contracting, Construction (28)	936.52	+0.9	10.95	4.54	11.59	24.76	928.17	923.69	914.91	672.84	936.52	25/10	684.17	8/3	936.52	25/10/85	71.48	2/12/74
4	Electricals (13)	1516.67	−0.6	10.66	4.97	11.95	45.52	1525.81	1524.44	1519.76	1516.40	1701.64	22/1	1289.36	10/7	1989.93	3/6/83	84.71	25/6/62
5	Electronics (39)	1265.72	−1.6	12.01	3.57	10.99	30.35	1286.22	1289.74	1280.60	1892.57	1977.60	9/1	1229.01	8/10	2049.85	13/11/84	1229.01	8/10/85
6	Mechanical Engineering (61)	318.94	+0.3	10.63	4.51	11.40	8.08	317.96	317.99	316.84	253.21	320.06	18/10	263.85	25/7	320.06	18/10/85	45.43	5/1/75
8	Metals and Metal Forming (7)	224.16	+0.8	11.67	7.13	10.63	5.98	222.47	220.85	218.89	164.15	224.16	25/10	165.08	14/1	224.16	25/10/85	49.65	6/1/75
9	Motors (16)	188.31	+0.2	12.30	4.52	9.86	4.93	187.89	188.74	187.79	133.83	189.62	21/10	142.57	3/1	189.62	21/10/85	19.91	6/1/75
10	Other Industrial Materials (20)	997.64	+0.2	7.51	3.62	15.97	23.43	995.98	997.61	998.96	702.46	1023.91	6/6	828.60	3/1	1023.91	6/6/85	277.55	15/1/81
21	CONSUMER GROUP (177)	726.12	+0.3	8.83	3.70	14.17	14.24	724.08	720.63	712.71	551.21	726.12	25/10	604.96	3/1	726.12	25/10/85	61.41	13/12/74
22	Brewers and Distillers (23)	755.74	+0.4	9.11	3.85	13.94	13.92	752.86	746.68	743.15	516.18	755.74	25/10	550.86	3/1	755.74	25/10/85	69.47	13/12/74
25	Food Manufacturing (22)	543.03	+0.2	10.86	4.51	11.90	13.66	542.07	534.85	528.35	444.94	543.03	25/10	471.62	25/7	543.03	25/10/85	59.67	11/12/74
26	Food Retailing (14)	1692.18	−1.1	5.85	2.49	23.16	22.79	1711.59	1691.48	1676.40	1358.15	1711.59	24/10	1400.36	1/3	1711.59	24/10/85	54.25	11/12/74
27	Health and Household Products (9)	1109.66	+0.7	6.82	2.95	17.88	11.95	1101.51	1099.36	1088.24	933.59	1124.51	5/6	980.65	11/4	1124.51	5/6/85	175.38	28/5/80
29	Leisure (23)	712.61	+0.2	8.07	4.67	16.25	23.27	711.29	712.40	707.78	590.20	719.49	22/1	590.69	12/7	719.49	22/1/85	54.83	9/1/75
32	Newspapers, Publishing (12)	1900.37	+0.1	8.08	4.73	15.94	51.02	1898.63	1896.50	1884.99	1290.21	1908.13	6/9	1445.15	3/1	1908.13	6/9/85	55.08	6/1/75
33	Packaging and Paper (13)	368.03	+0.3	9.74	4.17	12.24	8.10	367.04	366.34	363.82	253.97	377.13	9/9	286.36	3/1	377.13	9/9/85	43.46	6/1/75
34	Stores (42)	744.31	+0.5	6.91	2.90	19.58	10.24	740.61	743.16	731.33	479.75	744.31	25/10	529.47	19/2	744.31	25/10/85	52.63	6/1/75
35	Textiles (16)	349.33	+0.5	12.43	4.79	9.16	8.35	347.66	344.83	341.43	284.18	349.33	25/10	293.07	3/1	349.33	25/10/85	62.66	11/12/74
36	Tobaccos (3)	763.82	+0.8	17.64	5.88	6.46	30.77	757.42	750.38	736.05	722.39	1010.69	8/2	714.72	26/9	1010.69	8/2/85	94.34	13/6/62
41	OTHER GROUPS (99)	691.03	−0.4	9.24	4.14	14.01	15.31	694.09	694.68	689.96	486.23	722.57	15/5	605.99	3/1	722.57	15/5/85	58.63	6/1/75
42	Chemicals (19)	685.62	−0.1	14.36	5.55	9.20	26.19	686.64	684.84	676.74	652.21	832.26	22/2	645.96	26/9	832.26	22/2/85	71.20	1/12/74
44	Office Equipment (4)	217.08	−1.8	7.39	4.03	16.15	5.79	221.08	217.38	212.50	136.30	221.08	24/10	154.76	3/1	246.06	1/9/72	45.34	2/1/75
45	Shipping and Transport (11)	1365.51	+0.5	6.94	3.98	17.78	36.20	1358.70	1367.19	1347.01	861.05	1367.19	23/10	958.08	3/1	1367.19	23/10/85	90.80	29/6/62
46	Miscellaneous (63)	860.57	−0.5	7.51	3.78	16.37	15.56	865.05	861.76	858.01	681.31	899.77	3/6	787.88	26/7	899.77	3/6/85	68.39	6/7/75
48	Telephone Networks (2)	861.97	−0.6	8.62	3.76	15.47	14.38	867.11	872.24	869.84	0.0	935.70	30/8	701.92	3/1	935.70	30/8/85	517.92	30/11/84
49	INDUSTRIAL GROUP (482)	676.82	—	9.37	3.93	13.40	14.60	676.83	675.27	669.32	536.95	676.83	24/10	599.75	3/1	676.83	24/10/85	59.01	13/12/74
51	Oils (18)	1159.32	−0.5	16.23	7.55	7.56	60.30	1164.93	1156.16	1141.74	1068.41	1239.75	15/2	1042.21	3/1	1239.75	15/2/85	87.23	29/5/62
59	500 SHARE INDEX (500)	717.66	−0.1	10.24	4.38	12.27	18.26	718.11	715.98	709.34	581.37	718.11	24/10	636.98	3/1	718.11	24/10/85	63.49	13/12/74
61	FINANCIAL GROUP (115)	511.35	—	—	4.73	—	14.65	511.20	509.87	506.33	394.13	511.35	25/10	430.10	4/1	511.35	25/10/85	55.88	13/12/74
62	Banks (6)	511.07	−0.3	17.53	5.79	8.15	20.18	512.63	517.82	509.88	402.59	517.82	23/10	420.58	15/4	517.82	23/10/85	62.44	12/12/74
65	Insurance (Life) (9)	782.20	−0.7	—	4.35	—	21.80	787.42	777.39	776.56	503.38	790.75	21/10	580.95	4/1	790.75	21/10/85	44.88	2/1/75
66	Insurance (Composite) (7)	390.87	+0.5	—	5.04	—	9.88	388.95	384.02	378.95	288.21	390.87	25/10	303.16	25/2	390.87	25/10/85	43.96	13/12/74
67	Insurance (Brokers) (7)	1173.84	+0.1	7.18	3.68	18.63	29.71	1172.22	1165.01	1155.34	826.83	1248.70	15/3	1089.26	25/7	1248.70	15/3/85	65.86	16/12/74
68	Merchant Banks (11)	265.63	+0.4	—	4.25	—	5.80	264.56	265.45	264.79	200.48	265.63	25/10	220.65	3/1	278.57	1/5/72	31.21	7/1/75
69	Property (51)	696.03	—	5.42	3.47	24.71	12.03	696.21	692.52	691.78	607.32	699.54	17/10	585.78	10/7	699.54	17/10/85	56.01	20/4/65
70	Other Financial (24)	294.00	+1.2	10.36	5.61	11.91	10.97	290.51	291.51	292.77	249.45	296.92	6/2	261.32	26/7	303.18	18/5/72	33.29	17/12/74
71	Investment Trusts (107)	606.01	+0.1	—	3.52	—	11.76	605.29	602.63	601.17	545.00	635.62	7/3	557.78	31/7	635.62	7/3/85	71.12	13/12/74
81	Mining Finance (3)	253.65	+1.3	13.19	6.12	8.82	8.37	250.31	250.21	246.63	278.15	311.08	15/4	240.20	5/8	337.57	10/4/84	66.31	30/9/74
91	Overseas Traders (14)	584.25	−0.1	12.91	6.84	9.18	24.01	584.65	583.13	572.23	581.11	687.15	22/1	562.27	15/10	687.15	22/1/85	97.37	6/1/75
99	ALL-SHARE INDEX (739)	656.66	—	—	4.44	—	16.99	656.81	654.87	649.16	534.21	656.81	24/10	581.88	3/1	656.81	24/10/85	61.92	13/12/74
		Index No.	Day's Change	Day's High	Day's Low	Oct 24	Oct 23	Oct 22	Oct 21	Oct 18	Year ago								
	FT-SE 100 SHARE INDEX	1347.6	−2.0	1349.7	1344.5	1349.6	1346.4	1331.5	1340.3	1341.2	1130.5	1349.6	24/10	1206.1	3/1	1349.6	24/10/85	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri Oct 25	Day's change %	Thurs Oct 24	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	119.49	−0.03	119.52	—	9.61
2	5-15 years	133.15	−0.41	133.69	—	11.87
3	Over 15 years	138.92	−0.51	139.63	—	11.30
4	Irredeemables	150.53	−0.46	155.69	4.45	13.34
5	All stocks	131.00	−0.30	131.43	0.04	11.11
6	Debentures & Loans	114.77	+0.10	114.66	—	8.84
7	Preference	83.59	—	83.59	—	5.54

	AVERAGE GROSS REDEMPTION YIELDS		Fri Oct 25	Thurs Oct 24	Year ago (approx.)	1985 Highs		1985 Lows	
	British Government								
1	Low	5 years	9.83	9.78	11.04	11.56	28/1	9.75	18/10
2	Coupons	15 years	10.10	10.03	10.56	11.20	28/1	9.98	18/10
3		25 years	10.11	10.04	10.21	10.72	29/1	10.00	18/10
4	Medium	5 years	10.69	10.62	11.57	12.39	28/1	10.58	4/10
5	Coupons	15 years	10.44	10.36	10.95	11.63	28/1	10.30	18/10
6		25 years	10.09	10.02	10.32	10.97	29/1	9.96	18/10
7	High	5 years	10.80	10.72	11.56	12.53	28/1	10.65	4/10
8	Coupons	15 years	10.57	10.49	11.10	11.76	28/1	10.43	18/10
9		25 years	10.25	10.17	10.43	11.03	29/1	10.09	29/7
10	Irredeemables †		9.66	9.61	9.99	10.49	28/1	9.58	18/10
11	Debs &	5 years	11.10	11.13	12.13	12.63	29/1	11.06	10/10
12	Loans	15 years	11.05	11.07	12.01	12.37	29/1	11.04	21/10
13		25 years	11.00	11.01	11.88	12.37	29/1	10.99	21/10
14	Preference †		11.73	11.73	13.09	13.14	29/1	11.73	25/10

BRITISH GOVERNMENT INDEX-LINKED STOCKS

		Fri Oct 25	Day's change %	Thurs Oct 24	xd adj. today	xd adj. 1985 to date
8	All stocks	111.31	−0.14	111.47	—	2.69

			Fri Oct 25	Thurs Oct 24	Year ago (approx.)	1985 Highs		1985 Lows	
15	Inflation rate	5%	3.56	3.55	3.34	3.72	16/7	3.11	11/3
16		10%	3.37	3.35	3.16	3.51	16/7	2.94	11/3

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

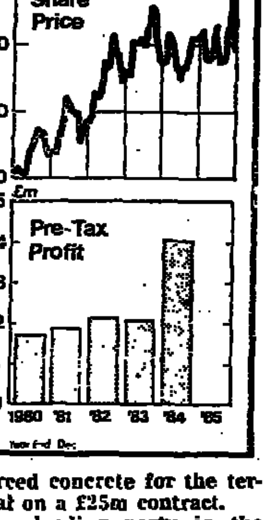
† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

Henry Boot plunges deeply into red

Henry Boot & Sons, the construction, engineering and property group, has plunged deeply into the red in the six months to June 1985. Large provisions on a Hong Kong contract, losses at the St Albans subsidiary and in the property development unit were to blame said Mr E. H. Boot, the chairman and managing director.

For the six months the group incurred a £4.9m loss, which compares with a pre-tax profit of £497,000 in the first half of 1984 and a £4.05m profit for the whole of last year.

Problems in Hong Kong follow the termination of the ICC/Far East Construction & Engineering company's contract for the building of the Asia terminal. Henry Boot as subcontractor to this company, supplying heavy re-



inforced concrete for the terminal on a £25m contract.

The leading party in the terminal profit, C-Land of the US, has now appointed another contractor — New World Construction of Hong Kong which has its own contracting arm.

As a result, Henry Boot is no longer involved in the terminal contract and will this year make a full provision of around £6m for the difference between the expenditure incurred and income received on the project so far.

At St Albans, Henry Boot's three year long campaign to enter the rich south eastern market ran into trouble as a result of underquoting on contracts said Mr Boot. A complete new management team had been installed into the slimmed down operation, he added.

Similarly on the property development side the legacy of a weak former management had led to losses. Again a new team was in place and things were improving, he said.

While the Hong Kong difficulties, on which some claims by Henry Boot should be settled in 1986, had necessitated discussions with the company's bankers the response had been positive and the group was trading within its agreed facility level.

In spite of the £4.9m loss the company is paying a reduced interim dividend of 1p (3p) on a loss per share of 92.4p (profit of 11.5p).

Looking ahead to the rest of the year, Mr Boot commented: "The final half will continue to be very difficult. Every skeleton in the cupboard will be removed by the year end so that we can start 1986 with a clean slate." The order book was healthy.

● comment

Henry Boot's shares dropped with a heavy clump yesterday—losing almost £1 at the worst point in the day, to close down 78p at 297p. The loss for the year is likely to be around £8m, of which the Hong Kong debacle will have contributed the lion's share. Every contractor has a dud every now and then but those who remember the Riyadh zoo saga will fear that this has happened to Henry Boot a little too often for complacency. Also the smaller contractors have little to protect them when things do go wrong. In its home territory of the North East, the company is assured of a share in the local public works, in harsher climes it must learn to fend for itself better. And that has to mean a reappraisal of management throughout this family run company. Rating the shares is meaningless — the family hold more than half and the cost of getting out would be high.

Temple and Ferguson sell Brint stake

Temple Investment and Finance and A. Ferguson have sold their entire 33.76 per cent stake in Brint Investments, the natural resources investment company quoted on the USM.

The shares have been placed with institutions. Mr Ferguson has resigned from the board. Earlier this month Burnett & Hallamshire, the troubled coal and property group, sold its 23 per cent stake in Brint.

Lower tea prices halve Eastern Produce profits

AS PREDICTED when the results of the previous year were reported the interim results of Eastern Produce (Holdings) have been hit by the substantial fall in the price of tea.

The effect was offset slightly by better weather in Kenya and Malawi resulting in higher production, but taxable earnings for the first half of 1985 for this plantation operator, engineer and fishing group, were almost halved from £8.58m to £4.32m. That was achieved on turnover down from £26.26m to £20.21m.

Earnings per 50p share are stated, basic, at 17.9p (38p) on a net basis and 18.7p (38.9p) on a nil basis. The interim dividend is maintained at 2.5p. Last year there was a total payment of 10p on pre-tax profits of £21.81m.

The company's trading companies had mixed fortunes but the engineering subsidiary, Unochrome Industries, showed an improvement compared with the same period last year.

The aggregate result of associates at £1.38m (£1.41m) was much the same as last time mainly because of an increased contribution from Associated Fisheries.

Operating profit came out at £2.87m (£7.25m) with a further £639,000 (£346,000) from investment and other income. The pre-tax figure was struck after interest payable of £581,000 (£434,000). The tax charge was a lower £2.22m (£4.12m), minorities took £208,000, against £464,000 and the extraordinary credits were much reduced at £9,000, compared with £298,000.

For the rest of the year the directors expect lower profits because of the decline in the tea price. They add, however, that there will be substantial adverse adjustments if sterling maintains its present value.

● comment

There had been too many warnings in James Finlay's results earlier this month for Eastern Produce's fall in profits to come as any surprise. Eastern starts with the disadvantage of having to compare an exceptionally bad year with an exceptionally good one, so the figures were never going to look very attractive. Despite its moves towards a diversification from tea it remains overwhelmingly dependent on the commodity and profits move up and down with the London auction price. For that reason the second half will look comparatively worse than the first, since the average tea price of 116p in this year's third quarter compares with 237p last year and yesterday's price of 123p compares with an average of 284p in last year's final quarter. The tea price may well come back up a little but not enough to take Eastern's price much beyond £9.5m—a figure which puts the shares, down 1p at 289p, on a prospective p/e ratio of 6¼ after a 48 per cent tax charge. At that price they may look cheap to those who believe that tea prices cannot get any worse.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
C. H. Beazer		8†	Jan 2	7	12	10.5
Henry Boot	int	1	Nov 11	3	—	14.5
Brit. Assets Tst.		1.9	Jan 7	1.7	7.1	6¶
Clayton Son	int	1.5	Jan 6	—	—	6
Eastern Produce	int	2.5	Dec 5	2.5	—	10
Gieves Group	int	1	Dec 16	1	—	3
Hopkinsons	int	2	Dec 8	1.2*	—	5.35*
Stanley Miller	int	0.5	Dec 6	Nil	—	Nil
Prince Wales Hotels	int	0.5	Nov 26	0.5	—	1.5
TR Industrial	int	1.4	Dec 2	1.2	—	3.5

Dividends shown pence per share except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Excluding 1.5p special payment.

Sapphire Petroleum on target

Sapphire Petroleum says its progress has been up to expectations and it is looking forward to continued development. The company, which has oil and gas exploration interests in the U.S., came to the USM in July, raising £9m before expenses.

In the half-year ended June 30, 1985 it incurred a gross loss of £40,000 on a turnover of £1.1m. With other charges and exchange losses of £1.09m, however, the pre-tax deficit for the period came to £1.35m.

With Murexco Petroleum four wells have been drilled on the Bayou Tommy and Poydras fields in Louisiana, and four further wells are planned over the next 15 months.

The Intracoastal No 2 on Poydras has averaged 526 barrels per day for the last 20 days, which the company considers a most satisfactory rate of production.

The development of other fields with Murexco and Whitmar Exploration are mainly at a clean-up and test stage but are proceeding satisfactorily.

Sapphire has a joint venture with Dyne Exploration covering the delivery of gas to Oklahoma Natural Gas line. Dyne has completed the first part of the system and the initial wells have been put on production.

Appraisal of the potentially substantial South Madden field, Wyoming, has started with initially encouraging results. Two wells have been drilled to the Lower Fort Union.

The operator, Chaparral Resources, has offered an amendment to the contract which could result in an early increase in production and a significant addition to reserves.

Sapphire has made applications for permits to drill on its lease offshore Mississippi. Drilling is likely to start in the second quarter of 1986.

In the whole of 1984 the company incurred a gross loss of £314,000 from a turnover of £2.6m. There were exchange gains of £1.77m and additional depletion £3.74m, and the pre-tax loss came to £2.54m.

The additional depletion represented the amount written off in order to reduce capitalised exploration and development costs to the estimated present value of the oil and gas reserves. No similar charge is anticipated in the current year.

Spear & Jackson makes strong attack against Neill

BY MARTIN DICKSON

Spear & Jackson, the garden tool manufacturer facing a £12m takeover bid from James Neill Holdings, yesterday delivered a strong attack on Neill's product mix and profits performance.

In its official defence document, Spear argued that much of Neill's capital was tied up in the production of obsolete and declining products for which the UK market had more than halved over the past five years and for which low cost, high quality imports held a dominant market share.

"Instead of recognising that it does not have a viable future in these products," Neill has attempted to shore up its position by trying to reduce production costs, by closing separate factories and by consolidating much of its production onto one large Sheffield site."

These problems, the document said, would drag down Spear & Jackson, which had concentrated on growth markets free from exports and which faced much better prospects than Neill.

Spea ralso questioned Neill's accounts, arguing that changes in its method of computing pre-tax profits were contrary to best accounting practice. The company's 1985 profits forecast had also benefited from a £550,000 reduction in pension fund contributions.

Neill is offering three of its own shares for two Spear. Neill's shares closed last night at 160p, down 3p, while Spear's were unchanged at 244p. There is a 195p cash alternative.

Spear said the cash alternative grossly undervalued the group, while to accept the share offer "would be to exchange an attractive investment in a company with good prospects for a stake in a company that has not yet faced up to the costs of adapting to changing markets."

Mr Peter Bullock, Neill's chief executive, replied last night that Spear had adopted a "wholly negative approach." Dismissing Spear's arguments about Neill being in declining markets, he said the company's pre-tax profits were forecast to rise 38 per cent this year—and exports accounted for some 40 per cent of output. Profit margins were also much higher than Spear's, though it claimed to be in a "golden market."

DTI files for winding up of Westminster Property

BY DAVID GOODHART

THE DEPARTMENT of Trade and Industry yesterday filed a petition for the winding up of Westminster Property Group, formerly part of St Piran, the master company of controversial financier Mr Jim Raper.

A judge in chambers also yesterday granted a DTI application to have the receiver of Westminster — Mr Christopher Morris—made the provisional liquidator.

In August, the DTI began a formal investigation into the affairs of Milbury—a troubled building and property company—after a minority shareholder alleged that Mr Raper had removed the two most valuable parts of the company, Westminster Property Group and Milbury Homes (South)—before disposing of his 78.7 per cent share.

Last week Mr Christopher Morris was appointed receiver of Westminster after a petition from the liquidator of the Security Investment Bank complained that St Piran had broken an undertaking to keep sufficient assets in the country to cover the bank's case against it.

St Piran, Westminster and Crinkleleaf yesterday opposed Mr Morris's appointment. They will also be challenging the winding up petition on Westminster to be heard soon.

Stanley Miller cuts loss

Stanley Miller Holdings, building contractor, has considerably reduced its first-half loss and is returning to the dividend list after a one-year absence with an interim payment of 0.5p.

Losses before tax were reduced from £303,000 to £56,000 after taking account of associate losses of £104,000 against £1[illegible],923.

The second half of the year will show a further increase in UK activity and a continuing profit improvement should result, the directors state. Operating profits for the first six months of this year were £47,754 (loss £182,000), attained on higher turnover of £12.14m (£9.34m).

The directors add that despite the continuation of a severely depressed market, the principal group activity, UK construction, has shown a considerable volume advance. And with a "tight rein" on overheads this produced a profit.

However, despite earlier expectations the position of Stanley Miller Arabia, in which the group has a substantial interest, has deteriorated further and resulted in an extraordinary loss of £339,000.

The group has not been able to obtain payment of contract money due, clients have continued to delay contract starts, and new contracts—at least at remotely acceptable price levels —have been even more elusive.

The company adds that there is little prospect of an improvement on any of these fronts in the foreseeable future, and SMA will be liquidated.

Atlantic Res. placing to raise over I£10m

Atlantic Resources, the Irish oil and gas exploration company, has announced a placing of shares at 127p, to raise I£10.5m (£8.68m), before expenses.

The placing, which is conditional on shareholders' approval, was chosen in preference to a rights issue because of uncertainties in the oil market and in the prices of Irish oil stocks, the company said yesterday.

The money will be used to fund Atlantic's exploration programme for this year. This will include the drilling of the exploration well in block 50/6 which started last week, a follow-up well in Discovery Block 49/9 and an exploration well in one of the blocks held under licence 2/82.

The funds will also be applied to a new seismic programme on block 48/17, which was recently awarded under the third licensing round to a consortium, in which Atlantic has a 19.44 per cent interest.

BET lifts holding in SGB

BET, the international services company, disclosed yesterday that it had boosted its 6.2 per cent stake in SGB, acquired last Tuesday, by another 1.2 per cent. Its three-for-four share offer for the scaffolding company values each SGB share at 251p and the company at £105m.

BET said that it paid 255p per share for the 500,000 shares it bought Thursday and claims that this purchase confirms its view that SGB shareholders are not impressed with their board's premature rejection of the offer.

SGB closed up 6p at 266p and BET was unchanged on 335p. Rumours continue to circulate about another party with an interest in bidding for SGB.

E. Upton loss

E. Upton and Sons, the Middlesbrough-based department store operator, returned a lower taxable loss of £173,000, against £286,000, for the 28 weeks to August 13 1985.

Turnover was £2.22m (£2.16m) and this year's result was struck after an exceptional debit of £63,000. There was again no tax. Loss per share was 9p (16p) — no dividends have been paid since 1980.

Electro-Optics

The offer for sale of shares in Ealing Electro-Optics has been 4.9 times oversubscribed, with applications received for 34m shares.

Applications for up to 1,000 shares will receive 200 shares by weighted ballot and applications for more than 1,000 shares will receive 16.8 per cent of the number applied for.

Letters of acceptance will be posted on October 30 and dealings wil begin the next day.

Ford hurt by cost of new models and incentives

BY TERRY DODSWORTH IN NEW YORK

PROFITS at Ford Motor, the second largest U.S. car group, fell by 17.5 per cent in the third quarter of this year due to heavy expenditure sales incentive programmes and the cost of new model introductions.

Net income amounted to $313.1m, or $1.70 a share, against $379.7m, or $2.05 a share in the same period of last year. Sales slipped by 1.8 per cent to $11.63bn from $11.84bn. Over the first nine months, net income slid to $1.8bn, $9.67 a share, against $2.2bn, or $11.90 a share. Sales dropped to $38.7bn from $38.9bn.

Ford's results were bang in the middle of Wall Street's expectations for the company after General Motors, the largest of the U.S. car groups, announced somewhat disappointing figures earlier this week.

Both companies displayed the damaging financial impact of the aggressive promotional campaigns that pushed car sales to record levels in August and September. Against General Motors' operating loss of $20.9m for the quarter, however, Ford managed to stay in profit on its operating account, declaring pre-tax income of $155.2m against $362.7m in the same period of last year.

The company said the effects of the incentives had been partially offset by "continuing strong productivity improvements."

Overall profits were helped by a sharp increase in its income from unconsolidated subsidiaries and affiliates. Profits from these divisions increased to $134m from $116.8m in the same period of last year, mainly because of record earnings of Ford Credit, its vehicle financing business.

At both GM and Ford, the financing activities have done better this quarter because the cost of running the cheap finance programme has been borne by the parent company, while the credit division has been able to benefit from higher volume and lower financing costs because of the decline in interest rates from last year's level.

Although Ford's factory deliveries of cars, trucks and tractors fell to 1.24m units from 1.26m units in the quarter, its retail sales were 19 per cent higher than in the comparable period of 1984. Its share of the U.S. car market also rose slightly to 19.7 per cent, the highest Ford has achieved in a third quarter since 1979.

At the end of the quarter, cash and marketable securities stood at $5.9bn against $5.3bn last year.

U.S. Steel, Texas Oil in talks

BY WILLIAM HALL IN NEW YORK

U.S. STEEL, the biggest U.S. steel producer, yesterday confirmed widespread stock market rumours that it has been holding takeover talks with Texas Oil & Gas, the Dallas-based energy group.

The U.S. steel giant issued a brief statement from its Pittsburgh headquarters saying it was "engaged in discussions concerning a possible business combination" but noted that no agreement had been reached. On Wall Street, oil analysts are convinced that U.S. Steel is preparing to make a bid for Texas Oil & Gas, provided it can reach a friendly agreement with what many people regard as one of the best managed companies in the U.S. energy business.

U.S. Steel's share price fell by $1½ to $27½ in early trading yesterday, and Texas Oil & Gas shares slipped by $½ to $19½. At these levels both companies have a similar market capitalisation of around $4bn but analysts believe that U.S. Steel will have to offer around $22 per share if it intends to win Texas Oil's hand.

U.S. Steel is already heavily geared following its $6.4bn acquisition of Marathon Oil three years ago, and analysts are concerned about the impact of another major acquisition on the balance sheet.

Texas Oil & Gas owns one of the largest gas-gathering networks in the U.S. and is a successful explorer for oil and gas reserves. Until this year earnings had been growing steadily for nearly three decades, but in the year to end August its net income slipped by 20 per cent to $221m on sales of $2.1bn. The company blamed lower oil and gas prices for its profits decline.

Following its acquisition of Marathon Oil in 1982, U.S. Steel is regarded by many analysts as more like an oil company than a steel company. Steel only accounts for a third of its $19bn of revenues and the vast bulk of its profits comes from oil.

A$28.2m maiden profit for Kidston

BY MICHAEL THOMPSON-NOEL IN SYDNEY

KIDSTON GOLD MINES, developer of Australia's largest gold mine, produced a maiden net operating profit for the seven months to September of A$28.2m (US$19.7m). An initial quarterly dividend of 5 cents was declared early this month.

Sales from the A$138m Kidston mine, in Northern Queensland, totalled 123,115 ounces of gold and 55,260 ounces of silver, in the period to September. Gold production totalled 133,687 ounces on the way to a forecast 281,000 ounces for the first year of operation; full production was reached in April.

Kidston is 70 per cent owned by Canada's Placer Development. Australian equity in the project is due to be raised to 45 per cent some time next year.

● Australia's Pancontinental Mining said yesterday it would acquire the remaining 50 per cent of the Lady Loretta silver-lead-zinc mine in Central Queensland for A$10.5m from Elf Aquistaine Triako Mines. This follows its original purchase of 50 per cent from MIM Holdings.

Benetton plans Milan and NY listings

BY JAMES BUXTON IN ROME

INVEP, the family-owned company which controls Benetton, the highly successful Italian clothing company, is planning to launch simultaneous quotations of its shares on the New York and Milan stock exchanges.

It has asked Morgan Stanley in New York and Sige, a financial institution in Milan, to study ways of launching the quotation of the company's shares. It is envisaged that the operation will be carried out towards the end of next year. It would be the first time an Italian company has ever obtained a simultaneous quotation on the two markets.

Benetton both manufactures and retails casual clothing. Based near Treviso in north-east Italy, it has a chain of about 3,500 shops in Europe, North America and Japan. By the end of this year it will have 400 shops in the U.S. alone. Most Benetton shops are franchised.

Invep last year had sales of L632bn ($354m) virtually all of which came from Benetton. Net profits were L35bn.

Invep, however, has share capital of only L8bn, which is held by the three brothers and one sister who run the company.

Peugeot sees return to black

By Our Paris Staff

PEUGEOT, the French private car group, reported yesterday a 5.2 per cent increase in consolidated group sales in the first half of this year to FFr 48.9bn ($6bn) from FFr 46.4bn in the same period the year before. It confirmed that it expects to balance its results this year after accumulating losses of about FFr 9bn since 1980.

The group said that the Peugeot S.A. parent company had operating earnings of FFr 52m in the first half compared with operating earnings of FFr 59m in the first six months of last year. Parent company net earnings totalled FFr 141m in the first half compared with a loss of FFr 406m in the first six months of last year. But the parent company figures do not reflect the overall industrial performance of the car group.

Peugeot now expects its group results to break even or show a small profit this year. However, this expected return to the black still hinges in part on the completion of the financial package to support Peugeot's car kit sales to Nigeria.

Toshiba and TDK suffer setbacks

By Our Tokyo Staff

TOSHIBA, one of Japan's leading electronics companies, yesterday blamed the downturn in the worldwide semiconductor business as the major reason for its 9 per cent decrease in pre-tax profits for the half-year ended September 30.

In the largest profit decline for six years, Toshiba reported pre-tax profits down to Y62bn ($286m) from Y68bn last year on sales up 9 per cent to Y1,323.5bn, from Y1,209bn last year.

At the same time, TDK, the world's largest maker of magnetic tapes, announced pre-tax profits down by 9.4 per cent for the third quarter ended on August 31. The company blamed the weakness of price on videotapes as a major reason for the decline.

TDK's third quarter pre-tax profits were Y16.5bn compared with Y18.2bn last year, on sales down 5 per cent to Y102bn from Y107bn.

Toshiba said that the main trouble in semi-conductors was in the erosion of prices of memory devices. These devices account for 17 per cent of Toshiba's total semiconductors sales, which declined 10 per cent overall to Y185bn from Y205bn last year.

Toshiba said, however, it was continuing to invest heavily in its memory device business, both in developing new products such as the one megabit chip, and for plant improvement.

For the full year, Toshiba expects a 4 per cent increase in sales to Y2,620bn but a 19 per cent drop in pre-tax profits. This drop, the worst in nearly a decade, is expected largely because of continued weakness in semiconductors and sluggish demand for heavy duty electrical apparatus, such as power plants.

HK$1.25bn facility for Hongkong Land

By David Dodwell in Hong Kong

Hongkong Land, one of the world's biggest property groups, which currently has debts amounting to about HK$10.5bn (U.S.$1.35bn) revealed yesterday that it had arranged a new HK$1.25bn commercial paper facility.

The facility, arranged by Wardley and Standard Chartered Asia, is initially for three years, extendable for a further three years. The maximum underwritten interest cost to Hongkong Land on bills drawn under the facility will be 0.125 per cent per year above the Hong Kong interbank borrowed rate (Hibor).

Hongkong Land plans to issue fully underwritten bills of exchange with maturities of between one and three months. It has an option to issue bills with longer maturities, but these will not be underwritten.

The bills will be issued under a tender panel bidding system, which is intended to keep the group's debt servicing costs to a minimum. Interest costs are expected to amount to just over HK$1bn this year.

Allied offers to buy Thomson subsidiary

BY PAUL BETTS IN PARIS

ALLIED-SIGNAL, the diversified U.S. industrial group, has made an offer to acquire an electronic components subsidiary of France's nationalised Thomson group in a further move by the large American concern to increase its presence on the French market.

Allied, which also owns the U.S. Bendix company, took full control earlier this year of Renix, a joint venture between Renault of France and Bendix. Renix manufactures electronic components for the car sector. Allied decided to buy Renault's 51 per cent stake in the joint venture after the French state-owned car group announced a major restructuring of its operations in order to focus on its traditional car and truck assembly businesses.

The U.S. group now wants to take over Socapex, a Thomson subsidiary which makes connectors and employs 1,000. Socapex manufactures products under a Bendix licence. Allied has told Thomson that it does not want to renew the licence at the end of this year, but would rather take over the subsidiary. Socapex is expected to break even this year after losing heavily in the past. Sales are expected to total about FFr 350m ($43m) in 1985.

Thomson is now considering the Allied bid, but a decision by the French group is not expected before the end of next month.

M. Alain Gomez, Thomson's chairman, also announced yesterday that Thomson CSF, the group's large publicly quoted defence and electronics subsidiary, had reported profits of FFr 336m in the first half of this year compared with a loss of FFr 124m in the first six months of last year and earnings of FFr 317m for the whole of 1984. First half sales rose to FFr 15.2bn from FFr 14.7bn in the same period last year.

Thomson CSF was expected to show strong earnings growth for the whole of this year with a profit of between FFr 600m—FFr 800m, M. Gomez said. The improvement reflected the return into the black of Thomson's medical equipment business, a recovery in the engineering division, strong results in the defence and systems sector and lower losses in the components division.

Aetna Life lifts earnings by 37% in third quarter

BY PAUL TAYLOR IN NEW YORK

AETNA LIFE & CASUALTY, the large U.S. insurance group, continued its profits rebound with a 37 per cent gain in third quarter net operating earnings to $111.5m or 98 cents a share on higher premium and investment income and improved results from most of its insurance lines.

In the year-ago quarter, Aetna reported net operating earnings of $81.5m or 75 cents a share—swollen by a $45m net non-recurring tax adjustment gain.

The Hartford- Connecticut-based group attributed the improvement to earnings gains in the employee benefits businesses, continued price firming in the commercial casualty-property and re-insurance businesses, and the absence of losses from diversified operations which have been sold. Aetna said these improvements more than offset the impact of $62m pre-tax catastrophe claims primarily related to hurricanes Elena and Gloria and the earthquake in Mexico.

A $2.9m capital loss in the latest quarter reduced final net earnings to $108.6m or 97 cents a share compared to $85.2m or 79 cents a share in the year-ago period after a $3.7m realised capital gain.

For the nine-month period operating earnings were $269m or $2.39 a share compared with $149m or $1.32 in the 1984 period. Net earnings, after capital losses of $43.7m in the latest period and $97.3m a year earlier, soared to $228.9m or $2.02 a share from $52m or 34 cents a share in the first three quarters last year.

Mr James Lynn, chairman, said: "In spite of the recent upturn in prices, the casualty-property segment of the business remains unprofitable for the nine months as a consequence of five consecutive years of price erosion coupled with deteriorating claims experience."

In the latest quarter premiums increased by 12.8 per cent to $3.17bn while net investment and other income grew by 11.1 per cent to $1.2bn.

Merchant bank offshoot for Banco de Santander

BY DAVID WHITE IN MADRID

BANCO DE SANTANDER, one of the big seven Spanish commercial banks, has announced the opening of a merchant banking offshoot, Banco Santander de Negocios. This is seen as breaking new ground in the sector in Spain.

Taking a discreetly low profile at the outset, and geared initially to providing services for existing clients of the parent bank, the venture has been set up on the model of the foreign bank branches that have made high profits in recent years in Spain through innovations in the financial markets.

The bank, which has an initial paid-in capital of Pta 4.5bn ($28m) will specialise in financial advisory services, mergers and acquisitions, foreign exchange and capital markets. Sr Juan Rodriguez Inciarte, who was hired from Midland Bank to head the new venture, said it planned to act as a channel for foreign investors,

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$300	—	—	—	—	2075	44	$325.60
GOLD C	$320	200	9.20	—	—	—	—	"
GOLD C	$340	8	0.90	199	9.50	3	17	"
GOLD C	$360	30	0.40	2	4.50	—	—	"
GOLD P	$300	—	—	—	—	5	4.80	"
		Dec.		March		June		
SILV C	Fl.550	—	—	—	—	5	100	$617
$/FL C	Fl.300	29	5.40	9	6.50	—	—	Fl.299
$/FL C	Fl.305	27	3.60	—	—	—	—	"
$/FL C	Fl.310	33	2.10	10	5.50	—	—	"
$/FL C	Fl.315	20	1.30	—	—	—	—	"
$/FL C	Fl.320	—	—	45	2.70	45	4.70	"
$/FL C	Fl.325	—	—	24	2.30	—	—	"
$/FL P	Fl.290	130	3.50	11	8	—	—	"
		Jan.		Apr.		July		
$/FL C	Fl.295	6	5.30	—	—	—	—	"
$/FL P	Fl.300	7	8	20	13.20	50	15.50	"
$/FL P	Fl.305	103	11.20	—	—	—	—	"
$/FL P	Fl.310	7	14.50 A	—	—	—	—	"
$/FL P	Fl.325	60	27A	—	—	—	—	"
$/FL P	Fl.330	—	—	2	34	—	—	"
AH P	Fl.500	672	18	32	24.50 A	12	29	"
ABN C	Fl.500	168	11.60	26	14	22	16	"
AEGN C	Fl.100	645	3.80	44	6	4	8 A	DM254.90
AEGN C	Fl.95	140	2	—	—	—	—	"
AH P	Fl.270	163	12.90	15	17.50 B	—	—	"
AH P	Fl.270	84	5.50	12	7.80	—	—	"
AKZO C	Fl.110	311	17.20	236	19.50	50	20.50	Fl.126.88
AKZO C	Fl.120	1133	9	87	12.10	1	12.70	"
AKZO C	Fl.130	1553	3.80	688	6.30 B	50	7.30	"
AKZO P	Fl.120	540	2.30	507	3.70	17	5.60	"
AMRO C	Fl.90	591	4.30	129	5.40	21	5.80	Fl.90.20
AMRO P	Fl.90	229	2.80	—	—	7	5	"
GIST C	Fl.230	140	13.30	49	20	—	—	Fl.238.20
GIST P	Fl.230	136	4.70	6	6.80	—	—	"
HEIN C	Fl.180	268	7	46	9.20	20	13	Fl.180.30
HEIN P	Fl.180	278	6	13	7.20	—	—	"
HOOG C	Fl.60	431	6.60	43	7.80	2	9	Fl.65.20
HOOG C	Fl.65	478	3	193	4.30	24	5.50	"
HOOG C	Fl.70	328	1.30	159	2.40	—	—	"
HOOG P	Fl.65	309	2.10	26	3	—	—	"
KLM C	Fl.60	808	1.40	22	2.80	10	4.20	Fl.64.90
KLM P	Fl.55	179	2.70	42	3.20	23	4	"
NEDL C	Fl.190	211	5.90	2	10	2	14	Fl.183
NEDL P	Fl.190	170	8.90	—	—	—	—	"
NATN C	Fl.75	467	3.40	42	4.50	—	—	Fl.74.60
NATN P	Fl.75	58	2.50	9	3	—	—	"
PETR P	Fr.6000	—	—	10	140	—	—	Fl.6590
PHIL C	Fl.50	574	1.90	365	3	391	3.70	Fl.49.40
PHIL C	Fl.55	293	0.50	306	1.40	100	1.90	"
PHIL P	Fl.45	1286	1	395	1.60	32	2	"
PHIL P	Fr.50	413	2.70	50	3	35	4	"
RD C	Fl.190	719	5.90	100	10	4	11.50	Fl.188.50
RD C	Fl.100	727	2.70	352	5.20	494	6.40	"
RD C	Fl.210	416	0.90	188	2.70	—	—	"
RD P	Fl.180	55	1.50	348	2.50	268	4	"
ROBE C	Fl.75	—	—	30	5.50	—	—	Fl.77.70
ROBE P	Fl.75	—	—	20	2.10	10	2.50	"
UNIL C	Fl.340	208	10.10	—	—	1	20	Fl.338.78
UNIL P	Fl.320	133	3.40	2	7	—	—	"

TOTAL VOLUME IN CONTRACTS: 35,054

A=Ask B=Bid C=Call P=Put

WORLD STOCK MARKETS

NEW YORK

WALL STREET

Slightly off on interest concern

PROFIT-TAKING before the weekend sent prices slightly lower on Wall Street yesterday, reflecting worries about interest rates.

By 1 pm the Dow Jones Industrial Average was off 6.61 to 1,355.73, making a loss of 13.11 on the week, while the NYSE All Common index, at $108.34, shed 54 cents on the day reducing its rise on the week to 19 cents. Declines led advances by an eight-to-five margin in a volume of 80.257m shares.

John Burnett of Donaldson Lufkin and Jenrette said profit-taking was bragging the market lower after a gain of 40 Dow points earlier this month. He said some investors were worried about higher interest rates.

Texas Oil and Gas led the actives, off $⅛ to $19½—it said it was discussing a business combination with U.S. Steel, off $1 to $28.

Airlines moved lower. AMR declined $⅞ to $39½, Delta $1½ to $38¼ and UAL $⅞ to $48⅞.

McConnell Douglas further declined $1½ to $66 on its lower earnings.

Motors and Banks were under pressure.

Ford, which reported lower earnings, lost $⅞ to $45⅛. General Motors were down $1 to $64⅞ — earlier in the week it reported earnings on the low end of expectations. Chrysler gave way $⅞ to $37⅛.

Declaration of a state of siege in Argentina led to a sell-off in some Bank stocks. Citicorp fell $1¼ to $41⅛.

Westinghouse were another $1 to $42 — it has been in an upward trend since it announced plans to sell its cable television business.

IBM were off $⅞ to $128, Digital Equipment off $1, to $110⅞, Data General $⅛ to $39⅞ and Burroughs $1½ to $54⅞ in a weak Computer group.

THE AMERICAN SE Market Value index shed 1.02 to 226.84, for a net rise of 1.00 on the week. Volume 3.95m shares.

Closing prices for North America were not available for this edition

CANADA

An easier trend continued on around mid-day, with the Toronto Composite index off 9.9 at 2,637.3.

The Oil and Gas index shed 8.9 to 3,244.5 and Golds 12.7 to 4,115.2.

Topping actives, Sears Canada, which has been a heavy trader since reporting higher nine-month earnings, held unchanged at $10⅞.

TOKYO

Share prices tumbled in afternoon trading to close sharply lower. Investors believe the Bank of Japan is guiding short-term interest rates higher, reflected in the slide in bond futures, dealers said.

The Nikkei Market average dropped 114.09 to 12,854.99. Volume 350m (330m) shares as many operators waited in view of the confusion on the bond market.

Large capitals and other industries related to interest rate movements were mainly sold.

The broad based SE index fell 9.18 to 1,016.34. Volume 15m (13m) shares.

Steels, Heavy Machineries and Trading Houses declined.

TDK dipped Y120 to 4,080 on a 7.2 per cent third-quarter net earnings drop.

International populars turned lower on profit-taking in sympathy with the weakness in large capitals. Toshiba lost Y12 to 378 on reduced first-half current profit.

Housings, Constructions, Properties and Utilities were also sold.

HONG KONG

Little changed in moderate trading, with late bargain hunting making up fo rearly selling. There were no fresh incentives, and investors took profits in the morning after the successful Government land auction Thursday.

The Hang Seng Index rose 1.22 to 1,671.73. Turnover HK$332.24m (HK$262.05m).

The Government sold a piece of land in the Tsim Sha Tsui tourist centre for HK$636m to a joint venture between Impala Pacific and Sing Tao of Australia. Impala advanced HK$1.70 to HK$13.70 in active trading.

New World, which has large property holdings in the same district, put on 15 cents to HK$8.15, but HK Wharf, which has properties opposite the site, held unchanged at HK$7.25.

SINGAPORE

Share prices finished generally higher, boosted by expectations that the Malaysian Budget would contain some stimulative measures.

The Straits Times Industrial index rose 3.86 to 785.02, while the SE All Shares index gained 0.77 to 281.76. Advancing issues led declines 100 to 64. Turnover 15.6m (12.5m) shares.

Rumours of various tax concessions contained in the Budget, which was released after the close of trading, outweighed the impact of a virtual worldwide suspension in tin trading. Both the London Metal Exchange and the Kuala Lumpur Tin Market suspended tin trading indefinitely following Thursday's announcement by the International Tin Council's buffer stock manager that he wouldn't conduct market intervention until further notice.

Few Mining stocks changed hands Friday, and losses in the sector were small. Mining giant MMC slipped one cent to S$1.08 and Berjuntai eased two cents to S$3.20. Sungei Besi held unchanged at S$6.05, but Selangor Dredging lost 5 cents to 52 cents. Straits Trading, which has tin smelting interests, held steady at S$3.12.

Banks were steady to mildly stronger, but Plantations finished mixed. Properties were widely mixed.

AUSTRALIA

Share markets staged a modest late rally and closed at record levels for the fifth successive session,s driven by BHP and good underlying support for Industrial stocks.

The All Ordinaries index rose 0.4 to a record 1,052.2, while the All Industrial put on 4.5 to a new peak of 1,534.6. The Gold maker added 3.8 at 979.7 but the All Resources index slipped 2.5 to 678.7 and Oil and Gas lost 4.2 to 692.4.

National turnover 76.1m (64.8m) shares, worth A$124.2m (A$132.4m). Rises outnumbered falls 249-to-197.

BHP closed firm at A$9.04 on turnover of 4.2m shares.

Paragon Resources traded 3.3m shares changing 1 cent higher at 26 cents and 4.7m Paragon options traded at a steady 11 cents.

Hastings Veering attracted attention with 1.6m shares exchanged at a steady A$1.30, while 1.8m Pioneer Concrete traded steady at A$2.55 and 1.2m Oil Search changed, off 12 cents at 82 cents.

GERMANY

Mixed, with an easier bias, after a moderately active session saw foreign and domestic investors take profits on the recent record rise.

AEG rose DM 26.2 to 241.5 and Daimler DM 3.5 to 1,073.5, still underpinned by the car-maker's planned takeover.

But Chemicals and Autos fell, while Banks were mixed.

The Commerzbank index of 60 leading shares, set at mid-session, shed 14.9 to 1,705.2.

Metals processor Degussa reacted DM 18 to 496 after hefty gains Thursday.

Lufthansa held unchanged at DM 223.50 after the possible threat of industrial action by employees.

PARIS

French share prices continued to gain ground in moderate trading, spurred by foreign buyers, but were limited by profit-taking.

Gains led losses 100 to 70.

ZURICH

Domestic stocks closed mixed in active trading, with Banks again leading markets. Most major companies' stocks ended little changed on Thursday's record levels.

In the foreign sector Dollar stocks traded around overnight New York close.

The bond market was slightly firmer on average volume.

CANADA

AUSTRIA

GERMANY

NORWAY

AUSTRALIA (continued)

JAPAN (continued)

BELGIUM/LUXEMBOURG

SPAIN

SWEDEN

HONG KONG

DENMARK

ITALY

SWITZERLAND

FRANCE

NETHERLANDS

JAPAN

SINGAPORE

AUSTRALIA

SOUTH AFRICA

Indices

NEW YORK

DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

TORONTO

MONTREAL Portfolio

NEW YORK ACTIVE STOCKS

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CURRENCIES and MONEY

FOREIGN EXCHANGES

Dollar attacks DM2.65 again

The dollar made another attempt to consolidate above DM 2.65 yesterday afternoon, after slipping back in early trading from Thursday's New York close of DM 2.6550. The level of DM 2.65 is becoming a critical one for the market as it appears to be the trigger point of testing the central banks resolve.

Intervention on Thursday by the U.S. Federal Reserve, German Bundesbank and Bank of Japan seemed to signal determination to keep the dollar below DM 2.65, and it remains doubtful whether the market has enough confidence to mount a serious challenge.

It was mainly the upward move in Tokyo interest rates that depressed the dollar in the morning, but with no sign of central bank intervention the dollar began to recover when New York started trading, and was around the day's peak at the London close.

The dollar rose to DM 2.6530 from DM 2.6495; FFr 8.0850 from FFr 8.0750; and SwFr 2.1720 from SwFr 2.1710, but failed to recover its full loss against the strong yen, falling to Y214.80 from Y216.65.

The dollar's exchange rate index fell to 130.8 from 131.2.

The German Bundesbank did not intervene at the Frankfurt fixing and there was no sign of dollar sales by the central bank on the open market. A weakening of the dollar in Tokyo, as Japanese interest rates rose, also meant the Bank of Japan was probably not active.

Sterling was on the sidelines. Thursday's sudden weakening of the pound in late trading remained something of a mystery, and there was no sign of any selling pressure yesterday. Sterling traded within a narrow range of $1.4205 to $1.4305, closing 10 points up on the day at $1.4220-$1.4230. It tended to move in line with the dollar, rising to DM 3.7750 from DM 3.7650; FFr 11.50 from FFr 11.4775; and SwFr 3.09 from SwFr 3.0850; but falling to Y305.50 from Y308. The exchange rate index fell to 80.5 from 80.7.

£ IN NEW YORK

	Oct. 25	Prev. close
£ Spot	$1.4305-4315	$1.4215-4225
1 month	0.44-0.41 pm	0.43-0.42 pm
3 months	1.21-1.16 pm	1.17-1.16 pm
12 months	3.40-3.38 pm	3.32-3.27 pm

Forward premiums and discounts apply to the U.S. dollar

STERLING INDEX

	Oct. 24	Previous
8.30 am	80.6	81.1
9.00 am	80.7	81.1
10.00 am	80.7	81.1
11.00 am	80.7	81.1
Noon	80.6	81.1
1.00 pm	80.6	80.9
2.00 pm	80.5	80.9
3.00 pm	80.5	80.9
4.00 pm	80.5	80.7

CURRENCY RATES

Oct. 25	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.748005	0.587540
U.S.$	7½	1.06471	0.835775
Canadian $	8.77	*	1.14284
Austria Sch.	4	19.7951	15.5371
Belgian Fr.	9	57.0898	44.7892
Danish Kr.	7	10.2212	8.01801
D mark	4	2.81869	2.21201
Guilder	5	3.17816	2.49395
French Fr.	9½	8.59008	6.74510
Lira	15½	1900.72	1492.83
Yen	5	229.977	179.416
Norway Kr.	8	8.45752	6.63062
Span'h Pta.	—	172.535	135.396
Swedish Kr.	10½	n/a	6.64389
Swiss Fr.	4	2.30723	1.81112
Greek Dr'ch	20½	n/a	129.950
Irish Punt	—	0.910009	0.714110

* C$/SDR rate for Oct 24: 1.45321

CURRENCY MOVEMENTS

Oct. 25	Bank of England Index	Morgan Guaranty Change %
Sterling	80.5	−9.9
U.S. dollar	130.8	+19.0
Canadian dollar	84.0	−8.7
Austrian schilling	118.5	+6.0
Belgian franc	91.9	−9.9
Danish Kroner	81.4	−4.0
Deutsche mark	127.7	+9.6
Swiss franc	151.4	+13.5
Guilder	117.8	+5.2
French franc	68.6	−12.7
Lira	44.6	−19.9
Yen	170.5	+23.7

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

OTHER CURRENCIES

Oct. 25	£	$
Arg'tina.	1.1388-1.1411	0.8000-0.8010
Aus'alia.	2.0305-2.0345	1.4265-1.4280
Brazil	11,921-11,987	8,375-8,415
Finland	8.0815-8.1035	5.6865-5.6885
Greece	219.10-223.50	153.35-156.45
H'kong	11.0985-11.1150	7.7990-7.8020
Iran	123.75*	86.50*
Kuwait	0.4200-0.4210	0.29520-0.29535
Lux'burg	76.25-76.35	53.60-53.70
Malay'sa	3.4960-3.5025	2.4540-2.4570
N'Z'land	2.5280-2.5330	1.7760-1.7855
Saudi Ar.	5.1935-5.2010	3.6492-3.6500
Sin'pore	3.0435-3.0495	2.1380-2.1410
S.Af.(Cm)	3.6795-3.6890	2.5840-2.5905
S.Af. (Fn)	4.6685-4.8275	3.2785-3.3900
U.A.E.	5.2255-5.2335	3.6720-3.6730

* Selling rate.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

October 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4205-1.4305	1.4220-1.4230	0.44-0.41c pm	3.59	1.19-1.14 pm	3.28
Ireland†	1.1655-1.1750	1.1655-1.1665	0.20-0.10c pm	1.54	0.60-0.45 pm	1.80
Canada	1.3663-1.3677	1.3667-1.3677	0.04-0.07c dis	−0.48	0.12-0.17dis	−0.42
Nethlnd.	2.9705-2.9985	2.9825-2.9835	0.54-0.51c pm	2.11	1.56-1.53 pm	2.07
Belgium	53.40-53.70	53.60-53.70	2-3c dis	−0.56	6-8 dis	−0.52
Denmark	9.55-9.62¼	9.62-9.62½	¾-1¼ore dis	−1.25	1½-2 dis	−0.73
W. Ger.	2.6320-2.6540	2.6525-2.6535	0.82-0.77pf pm	3.61	2.30-2.25 pm	3.44
Portugal	163½-166	164-165	75-275c dis	−12.77	400-1100ds	−18.24
Spain	161.65-162.32	161.65-161.85	50-65c dis	−4.26	200-275 dis	−5.86
Italy	1778-1788	1787-1788	8-9½lire dis	−5.62	22-23½ dis	−5.09
Norway	7.91½-7.95	7.93-7.93½	2¼-2¾ore dis	−3.78	8-8½ dis	−4.15
France	8.03¾-8.09	8.08¾-8.08¾	0.70-0.80c dis	−1.11	2.60-2.90dis	−1.36
Sweden	7.92½-7.95¼	7.95-7.95½	4-4½ore dis	−6.42	12-12½ dis	−6.17
Japan	213.90-215.35	214.75-214.85	0.08-0.03y pm	3.06	0.30-0.16 pm	4.18
Austria	18.50½-18.63½	18.54-18.57	4½-3½gro pm	2.58	12¼-9¾ pm	2.37
Switz	2.1670-2.1726	2.1715-2.1725	0.77-0.72c pm	4.12	2.05-2.00 pm	3.73

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 54.10-54.20.

POUND SPOT—FORWARD AGAINST POUND

October 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4205-1.4305	1.4220-1.4230	0.44-0.41c pm	3.59	1.19-1.14 pm	3.28
Canada	1.9432-1.9544	1.9432-1.9460	0.55-0.46c pm	3.12	1.46-1.31 pm	2.85
Nethlnd.	4.24-4.28¼	4.25¾-4.26¾	2⅛-1⅞c pm	5.64	5¾-5½ pm	5.28
Belgium	76.13-76.47	76.25-76.35	23-17c pm	3.16	59-49 pm	2.83
Denmark	13.64¼-13.69¼	13.68¼-13.69¼	2⅞-1⅞ore pm	2.08	7⅛-6¼ pm	1.99
Ireland	1.2135-1.2195	1.2175-1.2185	0.26-0.13p pm	1.92	0.55-0.35 pm	1.48
W. Ger.	3.75¾-3.78	3.77-3.78	2½-2¼pf pm	7.35	6¾-6½ pm	6.62
Portugal	232-236¼	232-235	30-330c dis	−9.25	365-1375ds	−14.90
Spain	229½-231¼	230¼-230¾	par-45c dis	−1.17	95-215 dis	−2.69
Italy	2534½-2549¾	2542¼-2543¼	1-5lire dis	−1.42	8-11 dis	−1.49
Norway	11.28-11.32½	11.28-11.29	¾-1ore dis	−0.73	2¼-3 dis	−0.93
France	11.46-11.51	11.49½-11.50½	2⅝-2c pm	2.41	6¾-5¾ pm	2.07
Sweden	11.30½-11.34¾	11.30¾-11.31¾	2½-3¼ore dis	−2.93	8-8¾ dis	−2.96
Japan	304¾-307	305-306	0.99-0.83y pm	3.57	2.83-2.63 pm	3.57
Austria	26.41-26.50	26.41-26.44	14¼-12¾gro pm	6.19	39½-34⅞ pm	5.63
Switz.	3.07⅞-3.09½	3.08½-3.09½	2-1⅞c pm	7.52	5½-5¼ pm	6.96

Belgian rate is for convertible francs. Financial franc 77.00-77.10. Six-month forward dollar 2.15-2.10c pm. 12-month 3.45-3.30c pm.

EXCHANGE CROSS RATES

Oct. 25	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.423	3.775	305.5	11.50	3.090	4.258	2543.	1.945	76.30
$	0.703	1.	2.653	214.8	8.085	2.172	2.993	1788.	1.367	53.65
DM	0.265	0.377	1.	80.93	3.046	0.819	1.126	673.6	0.515	20.21
YEN	3.273	4.656	12.36	1000.	37.64	10.11	13.94	8323.	6.365	249.8
F Fr.	0.870	1.237	3.283	265.7	10.	2.687	3.702	2211.	1.691	66.35
S Fr.	0.324	0.460	1.222	98.87	3.722	1.	1.378	822.9	0.629	24.69
H Fl.	0.235	0.334	0.887	71.76	2.701	0.726	1.	597.2	0.457	17.92
Lira	0.393	0.559	1.485	120.1	4.523	1.215	1.674	1000.	0.765	30.01
C $	0.514	0.732	1.941	157.1	5.914	1.589	2.189	1308.	1.	39.24
B Fr.	1.311	1.864	4.948	400.4	15.07	4.050	5.580	3333.	2.549	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belg Fr per 100.

EURO-CURRENCY INTEREST RATES

Oct. 25	Short term	7 Days notice	1 Month	Three Months	Six Months	One Year
Sterling	11½-11¾	11⅝-11¾	11⅝-11¾	11⁹⁄₁₆-11¹¹⁄₁₆	11⁹⁄₁₆-11¹¹⁄₁₆	11⁹⁄₁₆-11¹¹⁄₁₆
U.S. Dollar	7⅞-8	8-8⅛	8¹⁄₁₆-8³⁄₁₆	8⅛-8¼	8¼-8⅜	8½-8⅝
Can Dollar	8-8½	8⅝-8⅞	8¼-8½	8⁷⁄₁₆-8¹¹⁄₁₆	8⅝-8⅞	9-9¼
D Guilder	5¾-6	5¾-6	5¹³⁄₁₆-6¹⁄₁₆	5¹³⁄₁₆-6¹⁄₁₆	6-6¼	6¼-6½
Sw. Franc	⅝-⅞	9½-9¾	4-4⅛	4⁵⁄₁₆-4⅝	4⁵⁄₁₆-4⁷⁄₁₆	4½-4⅝
Deutschmrk	4⁷⁄₁₆-4⅝	4½-4⅝	4½-4⅝	4¾-4⅞	4⅞-5	5-5⅛
Fr. Franc	9⅛-9¼	9⅛-9¼	9⅛-9¼	9½-9⅝	10¼-10⅜	10⁵⁄₁₆-10⁷⁄₁₆
Italian Lire	12-13½	12-13½	12⅞-13¾	13-13⅝	13⅝-13¾	13½-14
B.Fr.(Fin)	8⅝-8⅞	8⅝-8⅞	8⅝-8⅞	8⅝-8⅞	8¾-9	8⅞-9⅛
Br.Fr.(Con)	8¾-9	8¾-9	8⅝-8⅞	8⅝-8⅞	7½-7¾	8⅞-9⅛
Yen	8-8½	8⅝-8⅞	8-8⅛	7⅞-8⅛	6⅞-7	7⅜-7⅝
D. Krone	9¾-10¼	9¾-10¼	9-9½	9-9½	9-9½	9¼-9½
Asian $ (Sng)	8⁵⁄₁₆-8⁷⁄₁₆	8⁵⁄₁₆-8⁷⁄₁₆	8⁵⁄₁₆-8⁷⁄₁₆	8⅛-8¼	8¼-8⅜	8⁵⁄₁₆-8⁹⁄₁₆

Long-term Eurodollars: two years 9¼-9½ per cent; three years 9¾-10 per cent; four years 10-10¼ per cent; five years 10¼-10½ per cent nominal. Short-term rates are call for U.S. Dollars and Japanese Yen; others two days' notice.

MONEY MARKETS

Rates move up in Tokyo

Trading conditions were very confused on Tokyo's financial markets yesterday. As short term interest rates rose the yen strengthened against the dollar, prices of Japanese Government bonds fell sharply and the equity market also suffered a severe set-back. Call money rose to 6.71875 from 6.59375, and the one-month bill discount rate to 7.1875 from 6.46875. Yesterday's upward move in rates was largely the result of corporate demand for funds to make monthly wage payments, but following Thursday's refusal of the Bank of Japan to meet a money market shortage of Y700bn, caused considerable disquiet and confusion in the markets. The fall in bond prices was said to be the largest since the Second World War, leading to a conflict of opinion on whether the Goverament will keep market conditions tight with a very large issue of 10-year bonds next month, or fail to make any issue because of instability and the difficulty of agreeing an acceptable interest rate between the authorities and the underwriters.

The Bank of England initially forecast a money market shortage in London of £850m, but changed this to £900m at noon and to £950m in the afternoon. Total help was £1,004m.

Before lunch the authorities bought £377m bills outright, by way of £3m bank bills in band 1 at 11⅝ per cent; £241m bank bills in band 2 at 11⁹⁄₁₆ per cent; £22m Treasury bills and £67m bank bills in band 3 at 11½ per cent; and £7m Treasury bills, £10m local authority bills, and £27m bank bills in band 4 at 11⁷⁄₁₆ per cent. In the afternoon another £627m bills were purchased at unchanged rates, through £2m bank bills in band 1S £303m bank bills in band 2; £57m bank bills in band 3; and £10m local authority bills and £255m bank bills in band 4.

Three-month sterling interbank finished unchanged at 11⁹⁄₁₆-11⅝ per cent and discount houses buying rates for three month bank bills were 11⁵⁄₃₂-11⁷⁄₁₆ per cent against 11⁷⁄₁₆ per cent.

In Frankfurt call money fell to 4.45 per cent from 4.50 per cent, in spite of the liquidity drain of DM 3.5bn this week as a new securities repurchase agreement with the Bundesbank failed to replace in full an expiring agreement. One reason for the comfortable conditions may have been the scale of intervention by the Bundesbank on the foreign exchanges, which was rather more modest in recent weeks than expected.

In Paris the Bank of France held its money market intervention rate at 9⅛ per cent, when buying first category paper from the market. The rate was last changed on October 17, when it was cut to 9⅛ per cent from 9⅜ per cent. Call money rose to 9⅜ per cent from 9⅛ per cent yesterday.

UK clearing banks base lending rate 11½ per cent since July 30.

FT LONDON INTERBANK FIXING

(11.00 a.m. Oct. 25)

Three months U.S. dollars		Six months U.S. dollars	
bid 8 1/8	offer 8 1/4	bid 8 3/16	offer 8 5/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Bank Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

Oct. 25	Ov'r-nig't	One Month	Two Months	Three Months	Six Months	Lombard In'v'ntion
Frankfurt	4.4-4.5	4.65-4.80	4.65-4.80	4.75-4.90	4.80-4.95	5.5
Paris	9⅜	9⅛-9¼	9⅛-9¼	9⁷⁄₁₆-9⁹⁄₁₆	9¼-9⅜	9⅛
Zurich	¾-1¼	3⅞-4⅛	—	4⅜-4⅝	—	—
Amsterdam	5¹³⁄₁₆-6¹⁄₁₆	5¹³⁄₁₆-6¹⁄₁₆	—	5¹³⁄₁₆-6¹⁄₁₆	6-6⅛	—
Tokyo	6.71875	7.1875	—	6.59375	—	—
Milan	14⅜-14⅝	14½-14⅞	—	14½-14⅞	—	—
Brussels	8.50	8⅝-8⅞	—	8⅝-8⅞	8⅝-8⅞	—
Dublin	10-10¼	9⅞-10⅛	9¾-10	9¾-10	9⅞-10⅛	—

LONDON MONEY RATES

Oct. 25	Over night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	7-11¾	11⁹⁄₁₆-11¹¹⁄₁₆	11⅝-11¾	11½-11⅝	11⁷⁄₁₆-11⁹⁄₁₆	11¼-11⅜
Sterling CDs	—	—	11⅝-11⅞	11⅜-11⅝	11¼-11⅜	10¹⁵⁄₁₆-11¹⁄₁₆
LocalAuthorityDepos	11½	11½-11⅝	11⅝	11⁷⁄₁₆	11⁷⁄₁₆	11¼
Local Author'y Bonds	—	—	12⁵⁄₁₆	11⅞	11¹¹⁄₁₆	11½
Discount Mkt Depos.	7-11½	11⅜-11½	11⅜-11½	11⅛-11¼	—	—
Company Depos.	10½-11¾	11¼	11¾	11⅝	—	—
Finance Hse Depos.	—	—	11⅝	11⁹⁄₁₆	11⁷⁄₁₆	11¼
Treasury Bills (Buy)	—	—	11⁷⁄₁₆	11⁹⁄₃₂-11⁷⁄₁₆	—	—
Bank Bills (Buy)	—	—	11½	11⅜-11⁷⁄₁₆	10⅞	—
Fine Trade Bills (Buy)	—	—	11⅞	11⅞	11½	—
Dollar CDs	—	—	7.85-7.95	7.95-8.05	8.05-8.15	8.4-8.5
SDR Linked Depos	—	—	7¾-8	7⅞-8	7¹⁵⁄₁₆-8³⁄₁₆	8¹⁄₁₆-8⁵⁄₁₆
ECU Linked Depos	—	—	8⁵⁄₁₆-8⁷⁄₁₆	8⁵⁄₁₆-8⁷⁄₁₆	8⁵⁄₁₆-8⁷⁄₁₆	8⁵⁄₁₆-8⁷⁄₁₆

Treasury Bills (sell): one-month 11¼ per cent; three-month 11⅛-11⅛ per cent. Bank bills (sell): one-month 11¹⁵⁄₃₂ per cent; three-month 11⅜ per cent. Treasury Bills: Average tender rate of discount 11.0982 per cent. ECGD Fixed Finance IV. September 4 to October 1 (inclusive): 11.697 per cent. Local authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 12 per cent from October 1 1985. Bank Deposit Rates for sums at seven days' notice 6.25-6.625 per cent (net). Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 11¾ per cent; one-three months 11½ per cent; three-six months 11¼ per cent; six-nine months 11¼ per cent; nine-12 months 11 per cent. Under £100,000 10¾ per cent from October 2. Deposits held under Series 5 11 per cent. Deposits withdrawn for cash 7½ per cent.

COMMODITIES AND AGRICULTURE

REVIEW OF THE WEEK

Tin crisis deepens market gloom

BY RICHARD MOONEY

THE COLLAPSE of the International Tin Agreement's support buying operation cast a long shadow over the base metals markets this week.

Thursday's announcement that the ITA buffer stock had run out of money, and the subsequent suspension of tin trading on the London Metal Exchange (LME), fostered an extremely nervous mood among traders in all LME metals. There were no dramatic price movements, however, as most traders confined their operations after the announcement to book-squaring aimed at minimising their exposure while awaiting further developments.

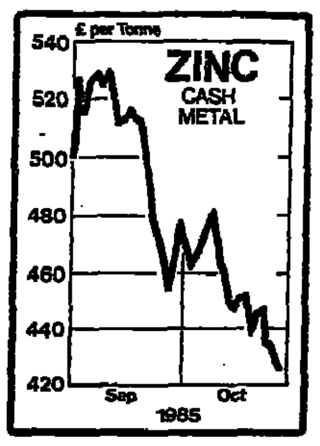
Tin prices had moved modestly lower early in the week before heavy selling in after-hours trading on Wednesday night and early Thursday morning took the three months position down to £8,140 a tonne, about £350 below the ITA "floor" price. LME trading was suspended at this point and will remain suspended until Tuesday at the earliest. The International Tin Council, the ITA's ruling body, will hold an emergency meeting on Tuesday and Wednesday to review the situation.

Traders with a heavy exposure on the tin market, in some cases amounting to tens of millions of pounds, will be hoping that producing and consuming members of the Council will be able to agree on measures to shore up the agreement. Some weeks ago producing members promised an extra £60m to top up buffer stock funds but so far this money has not materialised.

Concern about the tin market situation spilled over into the copper market yesterday resulting in a trimming back of gains registered early in the week. Signs of a tight nearby supply situation had pushed the cash higher grade copper price £18.50 higher but the price fell back £4 yesterday to £989 a tonne. Fears of a squeeze on cash supplies resulted in a narrowing in the discount against the three months position to £15.50 from £18.25 at the end of last week.

Zinc prices continued under pressure reflecting persistent anxiety about the excess supplies weighing on the market despite recent production cuts. Cash high grade zinc ended the week £21 lower at £425.50 a tonne, the lowest level since the beginning of 1983.

The latest production cut is at Cominco of Canada's Black Angel mine in Greenland. Suspension of production at this mine will mean a reduction of 20,000 tonnes of zinc concentrates and 5,000 tonnes of lead concentrates in the European market for the 1986 shipping year. Meanwhile Tara Mines, part of the Northgate Exploration group, has abandoned plans to acquire Bula Mines in County Meath, Ireland. This means 1986 production of zinc concentrates will be trimmed by 35,000 tonnes to 350,000 tonnes and lead concentrates production will be halved to 5,000 tonnes.



The biggest mover among the soft commodities was coffee. Deepening concern about the effects of drought damage to next year's Brazilian crop prompted a sharp rise which, after being trimmed back yesterday by profit-taking, left the January position £79 up on the week at £1,788 a tonne. Some analysts have suggested that the Brazilian crop could be down as much as 25 per cent in 1986, but others thought it was too early to estimate the extent of the damage.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1985 High	1985 Low
METALS					
Aluminium					
Free Markets c.i.f.	$1000/20	−10	$1150/1160	$1180/1210	$990/1010
Antimony					
Free Market 99.6%	$2750/2800	−25	$3450/3560	$3075/3150	$2550/2650
Copper-Cash High Grade	£989	+14.5	£1077	£1339	£943.5
3 months Do. Do.	£1004.5	+11.75	£1101.25	£1331.75	£968.25
Gold per oz.	$325.75	−0.5	$337.75	$338.75	$284.7
Lead Cash	£277.5	+1	£345.25	£391.5	£266.5
3 months	£281.25	+1.5	£363.5	£363.5	£271.75
Nickel market c.i.f. 16					
Free	190/216c	+4	217/237c	252/282c	185/205c
Palladium	$102.50	+0.75	$139.75	$129.65	$93.50
Platinum per oz	$322.75	+10.5	$320.75	$342.25	$244.25
Quicksilver (76 lbs)	$265/275	—	$305/315	$300/310	$265/275
Silver per oz	432.40p	+0.65	594.50p	576.90p	425.45p
3 months per oz	443.85p	+0.55	608.90p	594.90p	437.10p
Tin cash	†	—	£9760	£10,325	£8607.5
3 months	†	—	£9748	£10,232.5	£8482.5
Tungsten Ind.	$70.73	—	$85.16	$83.85	$66.75
Wolfram (22.04 lb)	$62/68	—	$83/86	$75/78	$56/60
Zinc cash	£425.5	−21	£637.5	£657.5	£425.5
3 months	£432.75	−20.5	£657.5	£655	£432.75
Producers	$750	—	$900	$960	$730
GRAINS					
Barley Futures	£109.05	−0.35	£110.65	£117.40	£95.00
Maize French	£135.50x	—	†	£152.20	£129.50
WHEAT Futures	£108.90	+0.30	£110.80	£124.95	£96.80
SPICES					
Cloves	$3,400	—	$4,000	$4,000	$3,200
Pepper white	$4,825	+525	$3,500	$4,825	$3,300
black	$4,000	+150	$2,275	$4,000	$2,200
OILS					
Coconut (Philippines)	$4,352	−5	$1,140	$960	$415
Palm Malayan	$362.5y	−2.5	$680	$700	$340
SEEDS					
Copra (Philippines)	$280u	—	$700	$575	$280
Soyabeans (U.S.)	$212.5	—	$263.3	$255.4	$207.5
OTHER COMMODITIES					
Cocoa Futures Mar.	£1743.5	−8	£1951.5	£2,266.5	£1,657
Coffee Futures Jan	£1788	+79	£2330.5	£2,457	£1487.5
Cotton Index	48.35c	−0.25	75.15c	71.95c	48.35c
Des. Coconut	£635	−15	£1300	£1,250	£635
Gas Oil Fut. Dec.	$261	+6.25	$232.75	$262.5	$208.75
Jute LJA BWC grade	$325	−15	†	$945	$325
Rubber kilo	57p	−1	60p	70p	57p
Sisal No. 3L	$590	−10	$670	$670	$515
Sugar (Raw)	$130z	+3.5	$119	$142.5	$82
Tea (quality) kilo	165p	+5	340p	345p	160p
(low med) kilo	108p	—	280p	255p	102p
Wooltops 64s Super	414p kilo	−1	467p kilo	526p kilo	414p kilo

† Unquoted. (g) Madagascar. (u) November-December. (x) November. (y) December. (z) October-November.

INDICES

FINANCIAL TIMES

Oct. 25	Oct. 24	M'th ago	Year ago
—*	—*	250.88	294.36

(Base: July 1 1952=100)

REUTERS

Oct. 25	Oct. 24	M'th ago	Year ago
1719.4	1711.6	1726.5	1898.3

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Oct. 24	Oct. 23	Month ago	Year ago
Spot	117.09	116.97	—	124.49
Fut.	120.33	119.07	—	127.33

(Base: December 31 1931=100)

*Not available due to suspension of trade in tin on the LME.

COCOA

COCOA	Yesterday's Close £ per tonne	+ or −	Business Done
Dec.	1702-1704	−2.5	1715-1702
March	1743-1744	−3.5	1754-1742
May	1760-1761	−7.0	1774-1759
July	1777-1778	−11.0	1790-1777
Sept.	1795-1796	−3.5	1803-1793
Dec.	1780-1798	+2.0	1797-1786
Mar.	1800-1810	+3.0	—

Sales: 1,766 (2,513) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for October 25: 105.71 (105.80); five-day average for October 28: 106.19 (106.44).

COFFEE

Extensive profit-taking prevented prices rising further despite continued commission house buying, reports Drexel Burnham Lambert. Trading was particularly volatile after the New York opening but prices recovered from their lows later in the session.

COFFEE	Yesterdy's Close	+ or −	Business Done
Nov.	1748-1750	−13.5	1775-1728
Jan.	1786-1790	−17.5	1820-1765
March	1807-1812	−24.5	1848-1785
May	1825-1835	−22.5	1865-1818
July	1858-1860	−16.0	1871-1850
Sept.	1875-1890	−16.5	1919-1875
Nov.	1880-1910	−20.0	—

(Sales: 10,705 (10,024) lots of 5 tonnes.

(ICO indicator prices (US cents per pound) for October 24: Comp. daily 1979 131.64 (127.06); 15-day average 123.20 (122.44).

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	679-80	−0.25	678/678
3 months	701-.5	−1	703/698.5

Official closing (am): Cash 676-7 (672.5-3) three months 698-5 (695.5-6) settlement 677 (673). Final Kerb close: 702.3.

Turnover: 947.5 tonnes.

COPPER

Higher grade	Unoffic'l close	+ or −	High/low
Cash	988.5-9.5	−4	989/988
3 months	1004-5	−3.25	1006/998

Official closing (am): Cash 988.5-9.5 (990.5-1) three months 1003-.5 (1006-.5) settlement 989.5 (991). Final Kerb close 1002.5-3.

Cathodes			
Cash	968-70	−4	967/967
3 months	989.5-1	−4.25	983.5/988.5

Official closing (am): Cash 966-8 (970-3) three months 988.5.9 (990-3) settlement 968 (970).

Turnover 23125 tonnes. U.S. Producer prices 67/70 cents per lb.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	277-8	+3.5	—
3 months	281-.5	+3	281.5/279

Official closing (am): Cash 276.5-7.5 (273.5-4) three months 279-80 (277.5-7.5) settlement 277.5 (274). Final Kerb close: 281-2.

Turnover: 7275 tonnes. U.S. Spot 18.5/20 cents per lb.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	2935-40	+25	2960/2940
3 months	2920-30	+22.5	2935/2890

Official closing (am): Cash 2950-5 (2920-5) three months 2930-5 (2920-5) settlement 2955 (2925). Final Kerb close 2920.25.

Turnover: 1200 tonnes.

TIN

High grade	Unofficial close (p.m.) £ per tonne	+ or −	High/low for day
Cash	—	—	—
3 months	—	—	—

Official closing (am): Cash — (—) three months — (—) settlement

Standard			
Cash	—	—	—
3 months	—	—	—

Official closing (am): Cash — (—) three months — (—) settlement — (—)

Turnover: Straits tin 5m — (29.50) kilo

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	425-6	−8.5	425/423
3 months	432.5-3	−3	439/431

Official closing (am): Cash 433-.5 (428-9) three months 431.5-2 (435-6) settlement 423.5 (429). Final Kerb close: 436-7.

Turnover: 7550 tonnes. U.S. Prime Western: 38/38.75 cents per lb.

GOLD

Gold fell $⅛ to $325½-326 on the London bullion market yesterday. Trading was quiet. The metal opened at $326¼-326⅞ and was fixed at $325.65 in the morning and $325.40 in the afternoon. It rose to a peak of $326½-327, and touched a low of $325-325½.

GOLD BULLION (fine ounce) Oct. 25		
Close	$325½-326	(£228½-229)
Opening	$326¼-326¾	(£229-229½)
M'n'g fix.	$325.65	(£228.334)
Aft'n'n fix	$325.40	(£228.351)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$338-338½	(£230¼-230¾)
½ Krug.	$172¾-173¼	(£121¼-121¾)
¼ Krug.	$88-88½	(£61¾-62¼)
1/10 Krug.	$36-36½	(£25¼-25¾)
Mapleleaf	$336½-337	(£236¼-236¾)
New Sov.	$78½-79	(£55¼-55½)
½New Sov	$46¾-47½	(£32¾-33¼)
Old Sov.	$80-81½	(£56-57¼)
$20 Eagle	$460-500	(£323-351)
Noble Plat	$341-345	(£239¼-241¾)

SILVER

Silver was fixed 0.35p an ounce higher for spot delivery on the London bullion market yesterday at 432.4p. U.S. cent equivalents of the fixing levels were: spot 616.2c, down 1c; three-month 627.55c, down 1.4c; six-month 639.75c, down 1.6c; and 666.1c, down 1.8c. The metal opened at 433-436p (617-620c) and closed at 431½-434½p (615-618c).

SILVER per troy	Bullion Fixing Price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	432.40p	+0.35	431p	−4
3 months	443.85p	+0.10	443.5p	−5
6 months	456.60p	+0.05	—	—
12 months	478.60p	+0.00	—	—

LME—Turnover: 31 (15) lots of 10,000 oz.

Three months high/low 444p, final kerb 442.5-4.5p.

RUBBER

PHYSICALS—The London market opened about unchanged, drifted lower throughout the day, closed quiet and easier, reports Lewis and Peat. Closing prices (buyers): spot 57.00p (same); November 55.00p (54.50p); December 55.50p (55.00p). The Kuala Lumpur fob price for RSS No. 1 was 181.0 (182.5) cents a kg and for SMR 20 was 169.0 (170.5).

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or −	BARLEY Yesterdys close	+ or −
Nov.	106.15	+0.05	106.00	+0.25
Jan.	108.90	—	109.05	—
Mar.	111.80	−0.10	111.80	−0.15
May	114.60	−0.10	114.10	+0.05
July	117.40	+0.10	—	—
Sept.	97.25	+0.25	97.35	+0.10

Business done—Wheat: Nov 106.45-6.05, Jan 109.00-8.80, March 112.10-1.80, May 114.60 only, July 117.40-7.35, Sept 97.25 only. Sales: 148 lots of 100 tonnes. Barley: Nov 106.10-6.00, Jan 109.30-9.05, March 112.00-1.80, May 114.20-4.05, Sept 97.25 only. Sales: 118 lots of 100 tonnes.

LONDON GRAINS — Wheat: US dark northern spring no. 1 15 per cent Dec 133.50, Jan 135.30, Feb 138.10 transshipment east coast. US no. 2 soft red winter Nov 115, Dec 116, Jan 117.50, Feb 118.50. EC French Nov 124.50. English feed fob Nov 110, Dec 111, Jan/Mar 113.30, Apr/June 117.75 sellers east coast. Maize: US no. 3 yellow/French transhipment east coast Nov 135.50 seller. Barley: English feed fob Nov 110, Dec 111.50, Jan 113.50 sellers east coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: E. Mids 101.20, N. East 103.70, Scotland 98.60. The UK monetary coefficient for the week beginning Monday November 4 (based on HGCA calculations using 3 days' exchange rates) is expected to remain unchanged.

MEAT

Month	Yesterday's close	Previous close	Business done
	p. per kilo (deadweight)		
Nov.	118.90	118.00	119.0-118.5
Feb.	102.00	101.70	102.0
April	103.50	102.90	103.5
June	101.50	100.60	101.5-101.2
Aug.	99.60	99.30	99.90
Oct.	105.80	106.60	—

Sales: 44 (122) lots of 50 carcases, 3,250 kg.

MEAT COMMISSION — Average fatstock prices at representative markets. GB — Cattle 94.37p per kg lw (—0.61). GB — Sheep 157.05p per kg est dcw (—4.18). GB — Pigs 81.67p per kg lw (+1.07).

U.S. MARKETS

PRECIOUS METALS were mixed with silver under modest pressure in response to the build-up in U.S. exchange stocks, reports Heinold Commodities. Concern over events in South Africa underpinned platinum and gold values. Copper and aluminium came under light selling pressure in response to poor physical demand. Sugar was featureless with activity confined to pre-weekend booksquaring. Coffee encountered light selling from profit-taking and scattered dealer selling based on belief that the market is overbought following recent gains. Cocoa remained steady on a lack of speculative interest and fresh crop news. Cotton markets came under scattered pressure on the slow pace of export sales. Heating oil remained firm on the low level of heating oil stocks and bullish technical indications. The grain and soyabean complex traded mixed with maize and soyabeans under pressure on forecasts of good weather which will favour harvesting progress over the weekend.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	43.00	—	—	43.15
Nov	43.10	—	—	43.15
Dec	43.45	43.55	43.30	43.65
Jan	43.80	—	—	44.00
March	44.55	44.55	44.55	44.75
May	45.25	—	—	45.45
July	45.95	—	—	46.15
Sept	46.65	—	—	46.85
Dec	47.70	—	—	47.90
Jan	48.05	—	—	48.25

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Dec	2156	2163	2148	2154
March	2245	2251	2237	2245
May	2293	2297	2284	2290
July	2322	2328	2320	2321
Sept	2343	—	—	2345
Dec	2343	2345	2345	2345
March	2343	—	—	2345

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	152.74	153.95	151.20	153.58
March	152.20	153.40	150.40	152.52
May	151.93	153.25	151.00	152.43
July	151.75	153.20	151.75	152.60
Sept	152.00	152.75	152.00	152.98
Dec	152.00	—	—	152.69
March	151.87	—	—	152.56

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Oct	61.60	—	—	61.85
Nov	61.75	—	—	62.05
Dec	62.15	62.45	61.75	62.45
Jan	62.40	—	—	62.65
March	62.85	63.10	62.55	63.05
May	63.10	63.15	62.85	63.20
July	63.35	63.45	63.05	63.40
Sept	63.60	63.50	63.30	63.65
Dec	64.20	64.40	64.05	64.25
Jan	64.40	—	—	64.45

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Dec	29.69	29.69	29.49	29.59
Jan	28.80	28.80	28.55	28.66
Feb	28.10	28.10	27.92	27.98
March	27.47	27.50	27.35	27.39
April	26.98	27.00	26.88	26.94
May	26.55	26.60	26.55	26.50
June	26.10	26.15	26.10	26.07
July	25.81	25.81	25.81	25.74
August	25.55	25.55	25.51	25.47

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	60.38	60.40	60.20	60.37
March	60.70	60.75	60.62	60.67
May	61.02	60.97	60.84	61.08
July	58.75	58.80	58.50	58.52
Oct	52.67	52.75	52.60	52.70
Dec	51.25	51.35	50.85	51.40
March	51.75	—	—	52.00

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	326.9	326.1	325.5	325.7
Nov	327.4	—	—	326.2
Dec	329.4	329.8	327.5	328.2
Feb	333.6	333.8	331.7	332.4
April	337.6	337.5	336.0	336.5
June	342.0	342.1	340.0	340.9
Aug	346.6	345.0	345.0	345.5
Oct	351.4	350.3	350.0	350.3
Dec	356.2	355.5	354.3	355.1
Feb	361.3	360.0	359.8	360.2
April	366.6	365.0	365.0	365.5
June	372.3	—	—	371.2
Aug	378.1	—	—	377.0

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Nov	85.70	85.75	85.00	85.23
Dec	86.15	86.25	85.35	85.34
Jan	86.05	86.05	85.47	85.27
Feb	84.55	84.55	84.10	[illegible].36
March	79.90	80.10	79.60	79.40
April	76.25	76.30	76.00	75.76
May	73.55	73.75	73.45	73.50
June	73.60	—	—	73.35

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Nov	113.85	115.20	113.55	114.00
Jan	114.60	114.75	113.30	114.00
March	115.00	115.00	114.10	114.60
May	114.85	115.10	114.10	114.30
July	113.90	114.20	113.90	113.40
Sept	113.45	113.25	113.25	113.15
Nov	113.70	—	—	113.40
Jan	114.15	—	—	113.00
March	114.75	115.00	115.00	114.60

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	336.7	340.0	333.0	333.7
Jan	339.7	343.0	336.5	337.2
April	342.4	345.0	339.0	339.2
July	345.9	347.5	342.0	341.9
Oct	349.4	350.0	347.5	344.9

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Oct	619.0	616.0	616.0	618.8
Nov	620.0	—	—	618.5
Dec	624.0	625.0	616.0	624.0
Jan	628.4	628.0	621.0	628.4
March	636.7	637.5	629.0	636.7
May	645.5	647.5	637.5	645.5
July	654.7	654.0	650.0	654.7
Sept	664.6	662.0	660.0	664.6
Dec	679.7	679.0	676.0	679.7
Jan	685.0	—	—	685.0

SUGAR WORLD "11" 122,000 lb, cents/lb

	Close	High	Low	Prev
Jan	5.11	5.11	5.06	5.08
March	5.50	5.55	5.47	5.51
May	5.65	5.71	5.63	5.68
July	5.83	5.87	5.82	5.84
Oct	6.15	6.21	6.12	6.16
Jan	6.54	—	—	6.55
March	6.75	—	—	6.76

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	65.30	65.50	65.05	65.42
Feb	62.32	62.45	62.07	62.30
April	61.75	62.05	61.45	61.67
June	61.65	62.00	61.50	61.87
August	59.70	60.30	59.60	59.95
Dec	60.10	—	—	60.10

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	46.27	46.60	45.77	46.85
Feb	45.47	45.75	44.75	45.87
April	40.90	41.35	40.60	41.35
June	43.05	43.55	43.00	43.52
July	43.62	44.17	43.60	44.12
August	42.80	43.00	42.80	42.95
Dec	41.45	41.45	41.00	41.40
Feb	40.55	—	—	40.55

MAIZE 5,00 bu min, cents/56 lb bushel

	Close	High	Low	Prev
Dec	220.6	221.0	220.2	221.2
March	233.2	233.4	232.0	233.4
May	239.2	239.4	238.4	239.4
July	241.4	241.6	240.4	241.4
Sept	228.4	228.4	228.2	228.4
Dec	223.4	224.0	223.2	223.4
March	33.20	234.0	233.2	233.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	63.05	64.20	62.85	64.35
March	63.12	64.30	62.90	64.62
May	64.37	65.50	64.00	65.80
July	63.97	65.10	63.87	65.60
August	61.60	62.75	61.60	63.22

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	140.4	141.2	140.1	141.9
Jan	142.1	142.8	141.5	143.5
March	144.6	145.3	144.3	145.8
May	146.2	147.0	146.0	147.5
July	148.0	149.0	147.9	149.5
August	147.5	149.0	147.5	148.8
Sept	146.8	147.2	146.5	148.2
Oct	144.7	145.0	144.5	145.8
Dec	145.7	146.0	145.5	146.5
Jan	146.0	146.5	146.0	147.0

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Nov	499.4	501.0	499.2	502.2
Jan	513.0	514.4	512.6	516.0
March	528.2	528.0	528.0	529.4
May	537.2	539.0	537.0	540.2
July	545.4	547.4	545.2	548.0
Aug	544.4	545.4	544.4	546.4
Sept	531.0	531.2	529.4	531.0
Nov	529.0	530.0	526.4	528.6
Jan	541.0	541.0	537.4	539.4

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	19.48	19.64	19.40	19.51
Jan	19.63	19.77	19.54	19.64
March	19.97	20.11	19.87	19.98
May	20.36	20.45	20.26	20.32
July	20.65	20.80	20.60	20.65
Aug	20.75	20.85	20.65	20.70
Sept	20.67	20.75	20.55	20.60
Oct	20.35	—	—	20.35
Dec	20.40	20.70	20.40	20.35
Jan	20.40	20.55	20.35	20.35

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Dec	319.4	319.6	316.4	317.6
March	326.2	326.4	322.4	323.6
May	313.2	313.4	311.2	312.0
July	291.4	292.2	289.4	290.0
Sept	293.0	293.0	292.4	292.0
Dec	304.4	304.4	302.0	301.4

SPOT PRICES—Chicago loose lard 15.50 (same) cents per pound. New York tin 460.80 (523-35) cents per pound. Handy and Harman silver bullion 615.5 (618.5) cents per troy ounce.

SOYABEAN MEAL

	Yesterday close £ per tonne	+ or −	Business Done
Dec.	124.7-125.0	−0.70	125.0
Feb.	126.7-126.9	−0.60	127.2
Apr.	125.9-126.1	−0.60	—
June	124.5-126.0	−0.15	—
August	124.7-126.5	−0.25	—
October	126.5-127.0	−0.55	—
Dec.	128.0-129.0	−0.60	—

Sales: 208 (167) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $130.00 (£91.00), up $2.00 (up £1.50) a tonne for October-November delivery. White sugar $168.50, up $1.50.

Prices were confined to a range of less than $2 in quiet conditions, reports C. Czarnikow.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Dec.	156.8-156.8	156.0-157.0	157.0-156.0
Mar.	145.8-146.0	146.6-147.0	147.4-145.8
May	149.0-149.8	150.2-150.6	150.4
Aug	154.8-155.4	156.0-157.0	—
Oct	160.6-160.8	161.4-161.8	161.6

Sales: 448 (1,157) lots of 50 tonnes.

Tate & Lyle delivery price for granulated basis sugar was £194.00 (£192.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for October 24: Daily price 4.97 (same); 15-day average 4.93 (same).

FREIGHT FUTURES

The market eased on the opening before trade-backed selling instigated further substantial losses. Physical levels were again reported to be steady although some nervousness emerged, reflected by the day's losses, reports Clarkson Wolff. The Baltic Freight Index was 902.5, down 0.5.

	Close	High/Low	Prev.
Oct.	898/899	904/898	903/904
Jan.	902/903	913/903	917/919
April	960/964	965/960	974/978
July	860/862.5	—	861/868
Oct.	925/929	930/929	932/934
Jan.	950/990	—	955/968
April	1020/1060	—	1052/1040
July	920/950	—	920/954

Turnover: 127 (58).

OIL

A shortage of first-half November-dated Brent cargoes prompted trade as high as $29.00 for the first time since February this year. Nymex traded within a narrow range around Thursday's close. In the petroleum products market gas oil continued its upward rise on steady demand and firm futures. Naphtha remained quiet on lack of end-user demand—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)—Nov.		
Arab Light	27.70-27.80	—
Arab Heavy	25.55-25.65	—
Dubai	26.50-26.60*	+0.125
Brent Blend	28.70-28.80	+0.5
W.T.I. (1pm est)	30.30-30.45	+04.25
Forcados (Nigeria)	28.75-28.85*	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	278-280	—
Gas Oil	264-265	+3
Heavy fuel oil	134-136	—
Naphtha	242-244	—

* December Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close $ U.S. per tonne	+ or −	Business Done
Nov.	262.25	+1.25	262.50-60.50
Dec	261.00	+1.75	261.50-58.25
Jan	259.00	+1.50	259.75-56.75
Feb	254.50	+1.25	255.50-53.50
Mar	246.50	+2.00	248.00-45.00
Apr	239.25	+1.75	240.25-39.00
May	232.75	....	235.00-32.75

Turnover: 1,701 (3,737) lots of 100 tonnes.

POTATOES

The market was very quiet, trading nervously within a thin range, rallying mid-day following a slight rise in Holland, but drifting off towards the close. Dutch export figures announced on the evening were better than generally expected at 15,000 tonnes, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Nov.	64.20	64.00	64.50-64.30
Feb.	67.20	68.00	—
Apr.	77.40	77.80	78.50-77.40
May	83.30	84.00	84.00-83.00

Sales: 206 (81) lots of 40 tonnes.

LONDON STOCK EXCHANGE

MARKET REPORT

Equities refuse to back away from record levels but long Gilts lose ground

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct 14	Oct 24	Oct 25	Nov 4
Oct 28	Nov 7	Nov 8	Nov 18
Nov 11	Nov 21	Nov 22	Dec 2

* "New-time" dealings may take place from 9.30 am two business days earlier.

The problems within the electronics industry worldwide resurfaced to thwart an early bid by London equities to close the trading Account on a new high note. Volume increased after Thursday's lull in activity and it was noticeable that many leading shares were reluctant to back away too far from their record levels. The FT Ordinary share index thus retreated only 0.8 from its all-time peak to close at 1050.8. Over the week the index was virtually unchanged.

Pressures on the troubled Electronic sector revived and this time the spotlight fell on **Racal Electronics**. Further broking houses downgraded their profit projections for the group but more serious weakness in the *shares was caused by news that* **Racal-Milgo**, based in Florida, is to restructure part of its operations. This was necessary because of lower-than-anticipated business orders. Racal dropped to a year's low point of 124p in heavy trading before rallying to 128p, which compares with a 1985 high of 288p, to close a net 14 down. Other Electrical and kindred issues were affected but to a lesser degree.

Generally however investors refused to be cowed by Thursday's *adverse regional views on* UK industrial trends. Professional traders did sell selected stocks *initially, expecting the* market to react sharply during the session, but were forced *later to close any open positions* because of the prevailing firm undertone. Demand for a wide range of second-line industrials continued with some recently-overlooked engineering issues finding favour, while numerous so-called situation stocks benefited from a marked rise in bid speculation.

Fears that a rise in Japanese interest rates, threatened by the dollar's latest revival, could have repercussions on UK levels unsettled Government securities. Brokers reported only a modest amount of selling but *longer-dated stocks still fell quite heavily* to close ¾ down in places. The shorts also lost ground but were *rarely more than* ⅛ easier. The lack of a new stimulus was a depressing influence in markets tending to ignore a firmer sterling exchange rate and concentrate on the fluctuations in Gilt futures.

Perennial takeover favourite **First National Finance Corporation** featured the banking sector with a speculative jump of 16 to a 1985 peak of 154p as rumours resurfaced of a bid from Bats. Elsewhere, **Hambros**, recently the subject of talk of a bid from Goldman Sachs, rose 3 more to 170p, while **Rothschild** closed the same amount dearer at 111p. Quietly dull conditions prevailed among the major clearers. **NatWest** finished a few pence off at 693p and **Barclays** a couple of pence down at 416p.

Adverse comment unsettled Life Insurances. **Prudential** lost 7 at 743p and **Legal and General** 5 at 710p. **Abbey Life** still reflecting adverse mention on the interim figures, cheapened 3 more for a decline of 24 on the week to 216p. Composites, however, improved in places. **Sun Alliance** added 9 at 502p and **General Accident** put on 5 to 685p. Among Lloyd's Brokers, **C. E. Heath** firmed 15 to 682p.

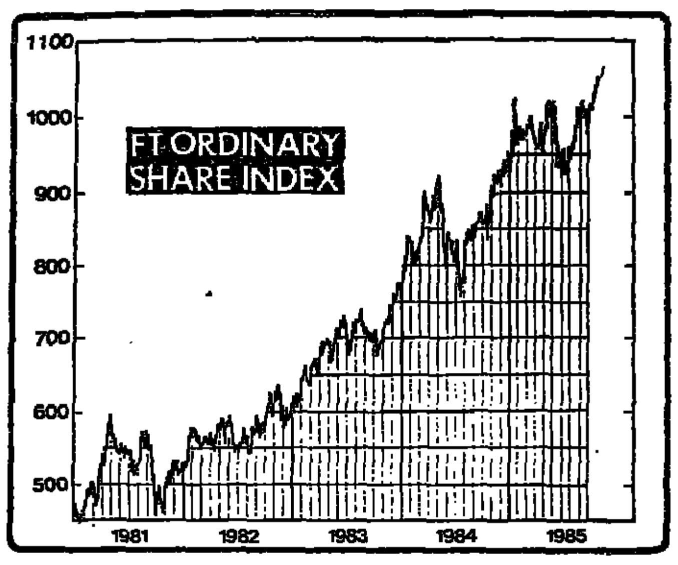
Fully-listed newcomer **Davidson Pearce** began life at a *premium on the 160p offer-for-sale* price but after touching 170p slipped back to close at 166p. *USM-debutant* **Shandwick** *fared* better and rose to 192p before settling at 186p compared with *the placing level of 175p.*

Distillers advanced 10 to 440p, after 442p, as dealers reported sizeable support for the new Account amid speculation about a move from Argyll Group or a U.S. bid. **H. P. Bulmer**, on the other hand, eased a couple of pence to 168p reflecting lack of follow-through interest after Thursday's buoyancy. Among Jacklustre Breweries, **Matthew Brown** dipped 5 more to 438p on nervous offerings in front of the Trade and Industry Secretary's decision regarding the hostile bid from Scottish and *Newcastle, a penny dearer at* 174p.

Building shares finished yet another good week with many quotations attaining new peaks. **Redland** advanced 10 more to 349p and **Costain** 12 to 506p. **Mowlem**, 312p, and **McAlpine**, 316p, improved 8 and 6 respectively. Outside of the leaders, interest centred on **Ward Holdings** which advanced steadily to close 34p higher at 258p amid persistent takeover speculation. Among Timbers, **Phoenix** rallied 6 to 112 and **Travis and Arnold** put on 5 to 310p.

ICI, following comment on the third-quarter figures, traded quietly and settled a couple of pence off on the day at 657p.

Subdued throughout the house *session, leading Stores attracted* occasional and selective interest after-hours. **Gussies A** featured with a gain of 8 to 550p *following* publication of the annual report: the shares will be quoted ex dividend on Monday. **Woolworth** were again wanted and hardened 5 to a new peak of 535p, while **Burton** also put on a few pence to 533p. Elsewhere, support for the new Account lifted speculative favourites, particularly **Owen Owen**, finally 20 to the good at 495p, and **Martin Ford**, 2 dearer at 56p. **Goldsmiths**, interim figures due on Monday, firmed 3 more to 176p, while fresh interest in an extremely narrow market aided **Body Shop International**, 30 higher at 815p. **Cantor A** improved 8 to 78p following a press mention, while news that Mr J. Steiner now controls just under 25 per cent of the equity saw **Lincroft Lilgour** improve another 2 at 187p.



Elec. leaders dull

Racal's prompted sympathetic reactions in other Electrical leaders. **Thorn EMI** followed Thursday's fall of 14 with a fresh loss of 5 to 367p, after 360p, while **GEC** softened a couple of pence to 160p as did **Plessey**, to 136p. **STC** also slipped 2 to 74p *and* **Cable and Wireless** *dipped* 8 to 597p. Secondary issues featured **VG Instruments**, 12 up at *328p, on revived talk of a bid* from Bats, while **SCUSA** reflected speculative buying with a rise *of 9 to 112p.*

Selective demand was forthcoming in the Engineering sector where **Babcock** featured with a gain of 13 at 161p and **Staveley** a rise of 15 at 350p. **ML Holdings** continued to make headway, up 7 more at 330p, while comment on *the preliminary figures prompted* a further improvement of 4 to 148p in **McKechnie Bros. Thomas Robinson**, *a good market earlier* in the week, advanced 9 further to 154p on news that Outwich Investment *Trust had reduced* its holding in the company to 4.18 per cent. **Baker Perkins** put on 8 to 211p, while rises of 5 were recorded in **Glynwed**, 231p, and **Fife Indmar**, 50p. **Cooper Industries** moved ahead amid a flurry of speculative activity to close 3 higher at 24½p; it was announced later that the chairman, Mr John C. Cooper, had *resigned and sold his entire* shareholding amounting to around 6.6m shares. In contrast, **Clayton Son**, a good market earlier in the weke, fell 9 to 128p on the disappointing interim statement.

A few of the recently popular Food counters succumbed to end-Account profit-taking. **Cadbury Schweppes** lost 4 to 147p, as did **Associated Dairies** to 142p. **Tate and Lyle** softened a couple of *pence at 496p and* **Nurdin and Peacock** relinquished the same amount at 158p. Cautious *comment unsettled* **S. and W. Berisford** which dropped initially to 168p, but buyers appeared at *the lower level and the shares* rallied to close only a few pence off at 177p. **Tesco** gave up 4 at *278p, but* **Normans** *reflected* revived takeover speculation with a rise of 3½ to 78p; the *latter's interim results* are scheduled for November 7. **Pyke** improved 3 more making *a three-day gain of 37 at 385p* following the agreed share-exchange bid from **Hillsdown**, 2 dearer at 185p. **Barker and Dobson** again reflected considerable call option business and edged *forward a fraction more* to 13½p.

Ladbroke revived with a speculative gain of 8 at 306p. Elsewhere in Hotels, **Prince of Wales** cheapened 2 to 98p on the interim deficit.

Henry Boot slump

Henry Boot, reflecting the announcement of a £4.8m first-half loss and sharp reduction in the interim dividend, slumped to 255p before buyers appeared and took the price up to a close of 279p, still down 78 on the day. **Blue Arrow**, in contrast, moved up 8 to 178p on satisfaction with their one-for-one share exchange offer for **Brook Street Bureau** which improved 8 to 178p in sympathy. **Channel Tunnel** *fell* 15 to 205p following the interim figures and statement regarding the current price of the company's shares. Speculative activity persisted in **European Ferries** which touched 154p before closing a penny higher at 152½p. **Cope Allman** encountered buyers and rose 10 to 228p along with **Bridport Gundry** 6 to the good at 131p. USM-quoted **UDO Holdings** advanced 18 to 230p. Leading miscellaneous industrials rarely strayed from previous closing levels, although **Hanson Trust** drifted off to close 3 cheaper at 207p.

Lucas Industries, down to 423p earlier, attracted buyers after-hours and settled 7 higher on balance at 433p. **Jaguar** gave ground, closing 3 off at 307p—*still, however, up 13 on the week.*

Among otherwise idle advertising issues, **Aidcom** *International* met renewed support and rose 5 for a two-day gain of 13 at 69p. **Geers Gross** rallied *a couple of pence to 73p.*

Stockley provided a notable feature among Properties, rising *4 more to 78p on continuing talk* of a bid from Stock Conversion. **Bairstow Eves**, meanwhile, *softened a couple of pence* to 113p after profit-taking in the absence of the widely-*rumoured bid.*

Further consideration of the interim statement, including a *generally encouraging response* from analysts and the press, lifted **British and Commonwealth** *Shipping 8 to 336p, after 340p.* **Caledonia Investments** improved 9 to 317p in sympathy.

Financials displayed some useful rises. **Mercantile House**, dull recently on fears of a commission price war in the U.S., rallied 11 to 248p, while **Mills and Allen International**, 333p, and **Exco International**, 208p, advanced 8 and 5 respectively. Revived takeover speculation stimulated interest in **Britannia Arrow**, 4 dearer at 131p, after 132p. USM-quoted **Brint Investments** were marked a few pence higher to 125p as Temple Investment and Mr A. Ferguson placed their entire stake, representing almost 34 per cent of the equity, with various institutions.

Oils easier

Another generally quiet session in the oil sector saw the leaders drift easier for most of *the day before modest buying* for the new Account encouraged a minor late rally. **BP** and **Shell** *were both a few pence easier* at 563p and 685p respectively while **Britoil** dipped 5 to 210p and **LASMO** *a like amount to* 248p, after 245p. **Enterprise Oil** remained a resilient market and edged up 2 to 170p.

News of a gas/condensate discovery in North Sea oil well 29/5B-4 gave a major boost to **Ranger Oil** which jumped 72 to 289p. Among the second-line issues **Floyd Oil Participations** held at 55p following the interim statement, as did **Sapphire Petroleum**, 80p, while **Invent Energy** rose 5 to equal the record high of 385p still buoyed by the recently announced first quarter results. Irish exploration stocks made limited progress helped by speculative support. **Atlantic Resources** rose 4 to 28p in the wake of the successful *conditional* placement of shares at 27 Irish pence a share. Australia's **Oil Search**, *however, dropped* a further 5½ to 35½p awaiting official test results from the Mananda *exploration well drilled* in Papua New Guinea.

In Plantations, **Grand Central** *Investments eased* a couple of pence to 25p following the increased first-half deficit.

Tins lose ground

The continued suspension of dealings in tin on the London Metal Exchange and fears that tin prices could plummet when trading in the metal eventually resumes triggered persistent selling of Malaysian and other tin producers. Cornwall's **Geevor Tin** proved especially vulnerable and fell sharply to close 27 lower at 140p, while among the Malaysian tin companies losses ranging from 5 to 15 were common to **Ayer Hitam**, 225p, **Gopeng**, 90p, **Petaling**, 160p, **Tronoh**, 180p and **Berjuntai** 85p. The tin price worries had little effect, however, on Rio Tinto-Zinc which dominates Cornwall's tin production: **RTZ** improved 8 to 553p in a generally firm UK Financials market. **Consolidated Gold Fields** shrugged off nervousness about the situation in South Africa and edged up 4 to 446p, while news of record exports of mining equipment prompted good support for **Hampton Areas** which added 7 at 132p.

South African sectors of mining markets came under pressure for the fourth session out of five in the wake of the latest outbreak of civil unrest in the Republic. Initial selling was sparked off by the latest bout of weakness in the Financial Rand although the latter rallied as the session progressed. Little *support for Golds was forthcoming,* however, and share prices around the day's lowest levels. The Gold Mines index dropped 5.4 to 257.1, leaving the measure 25.4 lower over the week.

Recently firm Australians paused for breath in line with the trend in overnight domestic markets. Golds gradually fell away with **Gold Mines of Kalgoorlie** 7 cheaper at 468p and **Central Norseman** 5 easier at 363p. Newcomer **First National** *Resource* **Trust** 40 cents-paid shares made a satisfactory London market debut and edged up *from an opening 24p to end the* day at 26p.

Elsewhere, **Cobra Emerald** encountered *speculative selling* and retreated 8 to 74p.

Traded Options finished the week on an active note. Total contracts transacted amounted to 15,318 — the highest since late January. Courtaulds attracted a lively business with 1,066 calls and 2,106 puts traded. Racal positions were also in demand at 3 more to 170p...

FINANCIAL TIMES STOCK INDICES

	Oct. 25	Oct. 24	Oct. 23	Oct. 22	Oct. 21	Oct. 18	year ago
Government Secs.	84.04	84.35	84.47	84.47	84.53	84.57	80.63
Fixed Interest	90.02	90.35	90.38	90.36	90.34	90.28	84.39
Ordinary ●	1050.8	1051.6	1051.3	1041.0	1048.0	1050.9	873.2
Gold Mines	257.1	262.5	250.2	253.8	272.7	282.5	544.8
Ord. Div. Yield	4.58	4.53	4.59	4.63	4.65	4.60	4.85
Earnings, Yld. % (full)	11.22	11.26	11.24	11.35	11.38	11.26	11.56
P/E Ratio (net) (*)	11.01	10.99	10.98	10.88	10.85	10.97	10.37
Total bargains (Est.)	24,771	22,052	25,142	24,135	24,255	24,207	19,554
Equity turnover £m.	—	472.88	416.2	412.74	352.75	508.88	261.79
Equity bargains	—	24,566	21,837	22,431	24,257	22,408	17,913
Shares traded (mil)	—	259.3	202.1	199.3	177.8	255.0	192.0

10 am 1052.5. 11 am 1049.4. Noon 1045.6. 1 pm 1046.7.

2 pm 1046.1. 3 pm 1046.1. 4 pm 1047.9.

Day's High 1052.6. Day's Low 1047.7.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974

† Corrected figure.

Latest Index 01-246 8026.

* Nil=10.61.

HIGHS AND LOWS / S.E. ACTIVITY INDICES

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	84.57 (18/10)	78.02 (23/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int	90.58 (25/10)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1051.6 (24/10)	911.0 (25/7)	1051.6 (24/10/85)	49.4 (26/6/40)
Gold Mines	536.9 (15/4)	250.2 (23/10)	734.7 (15/2/83)	43.5 (26/10/71)

Daily	Oct. 24	Oct. 23
Gilt Edged Bargains	105.7	109.5
Equities Bargains	157.9	141.5
Equities Value	955.8	841.2
5 day Average		
Gilt Edged Bargains	136.7	131.7
Equities Bargains	149.4	147.6
Equities Value	874.6	941.5

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 21	Nov 1	Jan 23	Feb 3
Nov 4	Nov 15	Feb 6	Feb 17
Nov 18	Nov 29	Feb 20	Mar 3

For rate indications see end of Unit Trust Service

Money was given for the call of West Coast, STC, Barker and Dobson, *Polly Peck*, Birmid Qualcast, Falcon Resources, Bestwood, Sound Diffusion, New *London Properties*, BBA, Sutcliffe Speakman, Amstrad, Bats, Goodman Brothers, St. Helene of London, Aspinall and Cable and Wireless. A put was done in Goodman Brothers. No doubles were reported.

LEADERS AND LAGGARDS

Percentage changes since December 31, 1984, based on Thursday, October 24, 1985

Shipping and Transport	+41.13	Mechanical Engineering	+14.09
Office Equipment	+40.70	Insurance Brokers	+13.74
Insurance (Life)	+35.03	Other Groups	+13.57
Stores	+33.97	Food Manufacturing	+12.53
Metals and Metal Forming	+32.61	All-Share Index	+10.77
Brewers and Distillers	+32.02	Industrial Group	+10.59
Motors	+30.22	500-Share Index	+10.40
Newspapers, Publishing	+29.64	Oils	+8.93
Packaging and Paper	+26.09	Property	+8.70
Contracting, Construction	+25.33	Health and H'sehold Products	+8.10
Insurance (Composite)	+24.86	Investment Trusts	+5.94
Telephone Networks	+23.45	Leisure	+2.48
Merchant Banks	+19.05	Capital Goods	−2.32
Other Industrial Materials	+18.28	Chemicals	−5.07
Building Materials	+17.86	Electricals	−4.10
Financial Group	+17.46	Overseas Traders	−6.51
Food Retailing	+17.08	Mining Finance	−8.50
Banks	+16.91	Tobaccos	−15.86
Consumer Group	+16.65	Electronics	−33.97
Textiles	+15.73	Gold Mines Index	−45.19

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	0	100	8	114	256	173
Corpns, Dom. and Foreign Bonds	5	20	56	43	65	307
Industrials	273	203	920	1,452	1,369	4,607
Financial and Props.	99	66	395	574	404	1,822
Oils	20	26	81	104	126	405
Plantations	1	8	9	21	17	52
Mines	17	68	101	143	310	477
Others	65	57	90	277	297	470
Totals	480	638	1,660	2,728	2,844	8,313

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
95	F.P.	7/11	105	97	AMS Inds. 5p	103	−2	b61.25	6.0	1.7	18.7
—	F.P.	9/10	7	6	Bardsey Pfd. Ord.	6½		—	—	—	—
—	F.P.	—	5	5	Do. warrants	5		—	—	—	—
165	100	1/11	148	117	Britoil 10p	130		t13.0	3.0	8.6	6.2
90§	F.P.	5/11	122	95	‡Colorgen Inc. $0.01	115	−5	—	—	—	—
125	F.P.	8/11	135	125	‡C.P.M. 5p	135		bg1.75	3.7	2.0	16.0
88	F.P.	—	96	91	‡Cowells	93		bg2.6	2.6	4.1	15.4
160	F.P.	—	170	160	Davidson Pearce 10p	166		bg2.5	5.7	2.2	17.9
75	F.P.	1/11	76	70	‡Electronic Data 5p	75	−1	bg1.6	4.2	3.0	11.3
120	F.P.	—	110	104	Fairbriar 10p	108		bg4.0	2.7	5.3	—
94	F.P.	30/10	98	78	‡InfraRed $0.10	90		Q2.16c	—	1.7	—
62	F.P.	8/11	63	50	‡Just Rubber 10p	58	−1	61.74	3.2	4.3	23.4
79	F.P.	6/11	87	80	‡Kewill Systems 5p	82		g1.2	4.3	2.1	16.0
100	50	13/11	47	43	Nat. Home Loans 75p	45	−1	—	—	—	—
180	F.P.	25/10	187	165	‡Questel 10p	177		bg4.0	3.5	3.2	12.7
95	F.P.	—	100	90	‡Radius 5p	98		bg2.66	2.5	3.9	13.6
330	F.P.	1/11	418	343	St. Ive's 10p	418	+18	bg8.0	3.1	2.7	17.1
175	F.P.	—	192	186	‡Shandwick	186		u3.68	2.2	2.8	25.1
100	F.P.	—	99	97	Strata Invs.	99	+1	—	—	—	—
—	F.P.	—	34	15	Vantage Secs. Wrrnts	24		—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −
87.305	£30	—	32⅛	29¾	Australia 9½% Ln. 2012	32⅛	−⅛
91.443	£30	17/1	29¾	27½	Bank of Greece 10⅝% Ln. 2010	29¼	−⅜
**	F.P.	—	100	100	Bremner 10% Cnv. Uns. Ln. 1995	100	
	Nil	—	24pm	10pm	Brit. Benzol 15% Conv. Uns. Ln. 1995	24pm	+5
96.456	£35	27/11	28½	25⅝	Bruxton Est. 10⅝% 1st. Mort. Deb. 2026	28	−⅛
100	£10	—	10⅛	10⅛	EastbourneWater 11.2% RedDeb.2005/9	10⅞	+⅛
98.324	£40	3/12	44⅛	40¾	Est. & Gen. Inv.11¼% 1stMort.Deb.2018	43¾	−¼
97.617	£25	31/1	27⅝	25½	Evans of Leeds 11% 1st.Mort.Deb.2026	27⅝	−⅛
—	F.P.	—	101½	100¾	Hampton Tst. 11⅛% 1st Mtg Deb 2025	100¾	−¼
88.466	£30	24/1	32¾	29⅝	Intl. Bk. for Rec. & Dev. 9½% Ln. 2010	32⅛	−⅛
100	F.P.	—	115	84½	‡Memory Comp. 7.8% Cnv.R.Pf1994/8	110	−2
100	£50	15/11	50	47	Nat. Home Loans 8% Cnv. Uns.Ln. 2005	48	
—	F.P.	—	100⅛	99½	Nationwide 11 3/16% Bds. 15/9/86	99⅞	
—	F.P.	—	99	99	Do. 11⅝% Bds. 20/10/86	99⅛	
98.43	£25	—	25⅝	25¼	Peachey Prop. 10% 1st Mort. Deb. 2015	25¼	−⅜
**	F.P.	22/11	115	110	Pittard 9½% Cum. Pref.	115	

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −
DM160	Nil	—	90pm	55pm	BASF A.G. DM 50	70½pm	
11	F.P.	11/11	11¼	10½	Blacks Leisure 10p	10½	
55	Nil	—	11pm	6pm	Brasway 10p	10½pm	
48	F.P.	22/11	65	57	Burns-Anderson 10p	60	
85	F.P.	11/11	125	105	City Site Estates	125	
60	Nil	21/11	22pm	15pm	Crowther (J.)	18pm	+5
165	F.P.	6/11	221	180	DRG	221	+2
210	F.P.	22/11	246	240	Emess Lighting	246	
100	Nil	—	36pm	28pm	Garfunkels' Rest. 10p	36pm	
5	Nil	30/10	12pm	5pm	Howard & Wyndham 5p	12pm	
10	F.P.	12/11	11	10	‡Humberside Elect. 20p	10	
225	F.P.	6/12	325	280	ML Hldgs	325	

For Greenfields Black see Blacks Leisure.

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment letters or fully paid. ‖‖ Introduction. ‡ Unlisted Securities Market. § Placing price. ‡‡ Dealt in under Rule 535 (3). ● Dealt in under Rule 535 (4) (a).

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (108)

BANKS (3)
BREWERS (3)
BUILDINGS (20)
CHEMICALS (3)
STORES (6)
ELECTRICALS (5)
ENGINEERING (6)
FOODS (6)
HOTELS (2)
INDUSTRIALS (22)
INSURANCE (4)
LEISURE (1)
MOTORS (1)
NEWSPAPERS (1)
PAPER (1)
PROPERTY (4)
TEXTILES (1)
TRUSTS (17)
OILS (2)

NEW LOWS (48)

BRITISH FUNDS (2)
Treas. 10pc 2001 (£40pd) — Conv. 9½pc 2005
AMERICANS (5)
Amax — Beth Steel
Amdahl — IU Intl.
Amer. Tel. & Tel.
CANADIANS (2)
Inco — Trans. Can. Pipe
BANKS (1)
MCorp
STORES (1)
Automagic
ELECTRICALS (5)
Cemptoft — Memcom Intl.
Crystalate — Sound Diffusion
Lec Refrigeration
HOTELS (1)
Aberdeen Steak Houses
INDUSTRIALS (6)
Boot (Henry) — Rotaprint
Peek Hldgs. — SI Group
Rockware — Standard Fireworks
INSURANCE (1)
Abbey Life
LEISURE (2)
Pic'dilly Radio N/V — SeaCo Inc.
SHIPPING (1)
Sea Containers
TEXTILES (1)
Munton Bros.
TRUSTS (2)
Parambe — Yule Catto
OILS (5)
Conroy Pet. Nat. Res. — Southwest Res.
Goal Petroleum — Sovereign Oil
Night Hawk Res.
PLANTATIONS (1)
Bertam
MINES (12)

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday.

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
Euro Ferries	111	151	+8	Barclays Bank	76	418	+6
ICI	103	659	+7	Grand Met	76	360	−2
Midland Bank	86	418	+13	NatWest Bank	76	696	+21
Comm Union	82	253	+3	Lloyds Bank	74	448	+13
Allied-Lyons	80	270	−6	RTZ	73	545	−5
Brit Aerospace	80	440	−3	Jaguar	72	310	+20

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Babcock International	161	+13	Distillers	440	+10
Berisford (S & W.)	177	−3	GKN	240	—
Blue Arrow	183	+10	*Racal Electa*	128	−14
Brook St Bureau	178	+8	Redland	349	+10
Bryson Oil and Gas	125	+3	SGB	268	+6
Cooper Inds	24½	+3	Ward Holdings	258	+34

THURSDAYS ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Brit & Com	26	228	−10	BP	15	563	+2
Euro Ferries	23	151	—	SGB	15	260	−6
ICI	22	659	+4	Allied-Lyons	14	270	−4
Marley	20	82	+2	Distillers	14	430	+7
Midland Bank	19	418	+8	GEC	14	162	+2
Shell Trans	16	688	+8	Goodman Bros	14	27	+3

S. E. DEALINGS

STERLING ISSUES BY FOREIGN GOVTS. & INTNL. INSTITUTIONS

Asian Dev Bk 10¼pcLn 2009 (Reg) £98¼
Australia 9½pcLn 2012 (£30 pd) £32¼ -11¾pcLn 2015 (Reg) £104½
Euro Inv Bk 10⅝pcLn 2004 (Reg) £96½ ¾ (23/10). 11pcLn 2002 (Reg) £103⅞
Finland 11½pcLn 2009 (Reg) £103⅞ (23/10). 11½pcLn 2009 (Br £5,000) £103⅞ (18/10)
Inter-American Dev Bk 9½pcLn 2015 £90¼ (23/10)
Intnl Bk Rec Rev 9½pcLn 2010 (£30 pd) £32 11/16 ¾. 11.5pcLn 2003 £105⅞
Ireland 12½pcLn 2008 (Reg) £109⅝ ¾ (18/10)
Malaysia 12¾pcLn 1988 (Reg) £103¼ (18/10)
New Zealand 11½pc 2014 (Reg) £104⅝
Spain 11¼pcLn 2010 (Reg) £105 (22/10). 11¼pcLn 2010 (Br) £105¼ (18/10). 12pc Ln 1988 (Br) £102⅛ (22/10)
Sweden 11pcLn 2012 (Br) £102⅞ (18/10). 13.5pcLn 2010 (Reg) £123 1/16 (22/10)
Trinidad Tobago 12¼pcLn 2009 (Reg) £95⅝ 11/16
Utd Mexican States 16½pcLn 2008 (Reg) £104½ ¾. 16½pcLn 2008 (Br) £104⅝ (22/10)

CORPORATION & COUNTY

London County 2½pc 1920 £20½
Grtr London 6¼pc 1990-92 £83 ¼ ½
Birmingham Cpn 3½pc 1946 £29¼ (23/10)
Birmingham District 11½pc 2012 £105¼
Bristol 11½pc 2008 £109¼ (22/10)
Greenwich 11¾pc 1986 £99⅞
Islington 12.65pc 2007 £112. 12¾pc 1986-87 £101¼
Leeds 13½pc 2006 £122 ¼ (23/10)
Manchester 3pc 1928 £24. 3pc 1891 £25. 4pc £33½ (23/10)
Merton 11¼pc 2017 £103¼ (21/10)
Newcastle-Upon-Tyne 11¼pc 2017 £103⅞ (22/10)
Norwich 3pc £24
Salford 5½pc 1986-88 £87¼ ⅜
Sth Tyneside 12¼pc 1986 £100¼
Southend-on-Sea 12pc 1987 £101½ (22/10)
Southwark 6¼pc 1983-86 £95¼ (23/10). 12½pc 1987 £101¼
Sunderland 11¼pc 2008 £111¼ ½ (18/10)
Swansea 13¼pc 2006 £123 (18/10)
Tyne Wear 12pc 1986 £100½ (23/10)
Local Authority 10¾pc £89½ (18/10)

UK PUBLIC BOARDS

Agri Mort Con 5½pcDb 1993-95 £70 (22/10). 6½pcDb 1992-94 £76¼ ⅛ (22/10). 6¾pcDb 1985-90 £85¾. 7¼pc Db 1991-93 £84½. 9½pcDb 1983-86 £98 (21/10). 9¼pcDb 1985-87 £97½ (23/10). 10¼pcDb 1992-95 £99⅞ (22/10)

CORPORATIONS—FOREIGN

FOREIGN STOCKS

(coupons payable in London)

STERLING ISSUES BY OVERSEAS BORROWERS

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

E—F

G—H

H—K

INSURANCE, OVERSEAS & MONEY FUNDS

Scottish Life Investments
19 St Andrew Square, Edinburgh. 031-225 2211

Property	106.2	111.8	.....	—
UK Equity	132.9	140.0	-0.2	—
American	121.1	127.5	+0.4	—
Pacific	108.7	114.4	+0.3	—
European	137.6	144.9	+1.8	—
International	119.4	125.8	+0.5	—
Fixed Interest	106.5	112.2	-0.5	—
Index Linked	101.7	107.2	.....	—
Deposit	105.2	110.9	.....	—
Managed	116.5	122.8	+0.2	—
Pens. Property	111.3	117.3	.....	—
Pens. UK Equity	140.7	148.2	-0.3	—
Pens. American	125.5	132.2	+0.8	—
Pens. Pacific	111.0	116.9	+0.3	—
Pens. European	145.7	153.6	+2.2	—
Pens International	124.5	131.2	+0.7	—
Pens. Fixed Int	111.4	117.4	-0.4	—
Pens. Index Linked	105.0	110.6	.....	—
Pens. Deposit	112.6	118.7	+0.1	—
Pens. Managed	122.2	128.7	+0.2	—

Scottish Mutual Assurance Society
109 St Vincent St, Glasgow. 041-248 6321

Flex End Oct 15	633.0	652.6	.....	—
Pen Mngd Sept 30	421.1	434.1	.....	—

Scottish Mutual Investments
109 St Vincent St., Glasgow. 041-248 6321

Safety Fund	103.1	108.6	+0.3	—
Growth Fund	99.4	104.7	+0.3	—
Opportunity Fund	101.5	106.9	+0.2	—
Cash Fund	97.7	102.9	.....	—
European Fund	112.4	118.4	+1.4	—
Gilts & Fxd Int Fund	102.9	108.4	+0.1	—
Index-Linked Fund	97.1	102.3	.....	—
International Fund	97.2	102.4	+0.6	—
North American Fund	84.1	88.6	+0.1	—
Pacific Fund	100.6	105.9	-0.7	—
Property Fund	97.6	102.8	.....	—
UK Equity Fund	100.5	105.8	-0.3	—
UK Smaller Cos. Fund	103.0	108.5	+0.2	—

Scottish Provident Institution
6 St Andrews Sq, Edinburgh. 031-556 9181

Mixed	119.6	126.0	-0.1	—
Equity	133.2	140.4	.....	—

Sun Life Unit Assurance Ltd.
St James Barton, Bristol BS99 7SL. 0272 426911

Managed Acc.	331.3	348.8	+0.2	—
Property Acc.	202.5	213.0	+0.3	—
Equity Acc.	461.7	486.1	-0.6	—
Fixed Interest Acc.	191.9	202.0	-0.5	—
Index-Linked Acc.	107.2	112.9	-0.1	—
Cash Acc.	170.1	179.1	.....	—
American Equity Acc.	161.7	170.3	+0.5	—
U.S. Bonds Acc.	101.2	106.6	+0.4	—
Japan Acc.	122.1	128.6	+0.5	—
Pacific Acc.	105.7	111.3	-0.1	—
Far Eastern Acc.	249.9	263.1	+0.4	—
International Acc.	244.7	257.6	+1.4	—
U.S. Dollar Acc.	96.5	101.6	+0.4	—
Yen Acc.	99.1	104.4	.....	—
European Currency Acc.	98.2	103.4	.....	—
Distribution	150.3	156.3	.....	9.52

Sun Life Pensions Management Ltd
(funds for individual pension contracts)

Pens. Managed Acc.	332.8	350.4	.....	—
Pens. Property Acc.	165.6	174.4	.....	—
Pens. Equity Acc.	433.7	456.6	.....	—
Pens. F Interest Acc.	184.2	193.9	.....	—
Pens. Ind. Lnkd. Acc	107.1	112.8	.....	—
Pens. Cash Acc.	175.8	185.1	.....	—
Pens. Amer. Equity Acc.	132.5	139.5	.....	—
Pens. U.S. Bonds Acc	114.3	120.4	.....	—
Pens. Japan Acc.	126.0	132.7	.....	—
Pens. Pacific Acc.	128.4	135.2	.....	—
Pens. Far Eastern Acc.	384.1	404.4	.....	—
Pens. Internat. Acc.	311.5	327.9	.....	—
Pens. U.S. Dollar Acc.	101.7	107.1	.....	—
Pens. Yen Acc.	104.4	109.9	.....	—
Pens. Euro. Curr. Acc.	99.6	104.9	.....	—

Swiss Life Pensions Ltd
99-101 London Rd, Sevenoaks. 0732-450161

Equity	£189.65	199.41	.....	—
Fixed Int.	£139.43	140.13	.....	—
Index Linked	£112.01	111.58	.....	—
Property	£165.28	170.99	.....	—
Cash	£124.15	124.15	.....	—
Mixed	£174.54	179.93	.....	—
International	£134.19	138.35	.....	—

Next sub day Oct 30

TSB Life Ltd
PO Box 3, Keens Hse, Andover SP10 1PG 0264 62188

World Fund S.A.
2 Boulevard Royal, Luxembourg

World Fund NAV	$12.87		.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13.54		-0.03	—

Inv. Adv. M. & G. Inv. Mngt., Ltd., London.

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Advanced Tech	$10.70			—
Dynamic Gwth Fd.	$9.61		-0.04	—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	11.20		—	3-Mth
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	11.47	8.57	12.57	6mth
7-day Fnd	11.58	8.65	12.70	6mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	11.49	8.59	12.65	6-Mth
7-day Fund	140.5	148.1	+0.6	—
Dollar	6.87	—	6.99	6-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc 22 Charlotte Sq. Edinburgh, EH2 4DF 031-225 8484				
Full Service Chr Acc.	11.25	8.00	11.78	Qr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc.	11.25	8.41	12.58	Qr
Mth. Int. Chq.	11.125	8.32	12.56	Mth
Allied Arab Bank Ltd 97-101 Cannon St, London, EC4N 5AD 01-283 9111				
HIBCA	11.50	8.60	.....	Mth

Bank of Scotland

...

Over £10,000	11.40	8.52	12.71	Mth
Western Trust & Savings Limited The Moneycentre, Plymouth PL 1SE 0752 24141				
High Int Chq Acc.	11.50	8.60	12.69	Qr

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase. xd ex dividend.

OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	28	Marks & Spencer	13
BAT	26	Midland Bk	35
BOC Grp	27	NEI	10
BSR	8	Nat West Bk	55
BTR	33	P & O Dfd	35
Babcock	13	Plessey	14
Barclays	33	Polly Peck	21
Beecham	30	Racal Elect	15
Blue Circle	50	RHM	12
Boots	18	Rank Org Ord	35
Bowaters	30	Reed Intnl	60
Brit Aerospace	32	Sears	11
Brit. Telecom	17	TI	35
Brown (J.)	3½	Tesco	24
Burton Ord	45	Thorn EMI	34
Cadburys	13	Trust Houses	12
Charter Cons.	18	Turner Newall	9½
Comm Union	23	Unilever	98
		Vickers	35

OFFSHORE AND OVERSEAS

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

† Bargains at special prices. ⊕ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

Jones, Stroud (Hldgs) 10pcPf (£1) 108 (22/10)
Juliana's Hldgs 7½pcLn 2000-02 £74½ 5 (23/10)
Kalon Group (15p) 24½ ½ 5
Kayser Bondor 6pcPf (£1) 50½
Kenning Motor Group 5½pcPf (£1) 48. 7pcPf (£1) 61 4 (23/10)

L—M

LRC Intnl 10½pcLn 1990-95 £94½
Ladbroke Group Wrts to sub 250
Laing (John) A N-V 312 3
Laporte Indus (Hldgs) 10¼pcDb 1994-99 £95¼ (23/10)
Laurence Scott 6¼pcDb 1985-90 £75½
Lees (John J.) (10p) 142 (21/10)
Lewis (John) Partnership 5pcPf (£1) 45 ½
Lewis's Invest Trust 6½pcDb 1985-90

Stoddard (Hldgs) (10p) 17 (22/10). 10pc Pf (£1) 110 (22/10)
Stonehill Hldgs 10½pcPf £1 94 (22/10)
Suie (5p) 170 (23/10)
Swire (John) 6.5pcPf (£1) 84 ⊕ ½⊕
Symonds Engineering (5p) 15½

T—U—V

TI Go 5.6pcLn 1989-94 £69¼ (21/10). 7.7pcLn 1989-94 £80 (18/10). 9pcLn 1989-94 £87 (21/10)
Talbot Motor 5½pcDb 1984-89 £82 (22/10)
Tarmac 6½pcDb 1989-94 £77¼. 7½pcDb 1987-92 £87 (18/10). 7½pcDb 1992-97 £79⊕ ¼⊕
Tate & Lyle 6½pcPf (£1) 60⊕. 5½pcDb 1980-85 £100¼. 7¼pcDb 1989-94

German Smaller Cos Wts 39½
Fleming American 6pcDb 1976-86 £96 (21/10)
Fleming Universal 5pcPf (£1) 46 (21/10)
General Stock 5½pcPf (£1) 48
Globe Invest. Trust 5½pcLn 1987-91 £230. 11½pcLn 1990-95 £220
Hill (Philip) Invest Trust 5½pcPf (£1) 46
Investment Trust of Guernsey (50p) 129 (23/10)
Investors Capital Trust 5¼pcPf £48 (22/10). 7¼pcDb 1992-97 £76½ (22/10)
Law Debenture Cpn. 3.85pcPf (£1) 48 (21/10)
London St. Lawrence Invest (5p) 52. 5pc Pf (£1) 42
London Trust Wrts to sub for Ord 45½ 6½ (23/10)

Sutton Dist 8pcPf 1985 £97 (21/10)
West Hampshire 8pcPf 1986 £102½
Wrexham East Denb 4.2pcPf 1985-87 £48½ (21/10)
York 7pcDb 1986-88 £89½ (22/10)

UNLISTED SECURITIES MARKET

Access Satellite Int (5p) 168
Applied Holographics Warrants to sub for Ord 165 (21/10)
Biomechanics Int (10p) 23 4 5
CCA Galleries (10p) 88 9
Cannon Street Invest 2.7pcPf 1994-98 312 5
Clyde Oil Warrants to sub for 8 6 (23/10)

Heavitree Brewery A 300 (21/10)
InfraRed Associates (30.10) 95. New Shs (30.10) 90 2 3 4 5
Intervision Video (10p) 3½ 4. 7pcPf (£1) 25 (21/10)
Just Rubber New (10p) 57½ 8½ 8 9
Kenyon Securities 280 (22.10)
Kewill Systems (5p) 79 (22/10). New (5p) 80 (23/10)
Memory Computer 7.8pcPf 1994-98 (fr£1) 110 2 3 (23/10)
Michael (John) Design (2.5p) 66 7 8 (22/10)
Paul Michael Leisurewear (5p) 15
Perkins (John) (10p) 32
Quadrel (10p) 177. New (10p) 180⊕
[illegible] Automotive (10p) 57 8 (21/10)
United Friendly Insurance B (10p) 334
Yellowhammer (5p) 125 (21/10)

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Abbey National Bldg Soc 10pcBds due 27 11 85 £99.713 716
Airship Inds 24 ½ 5 ½ (22/10)
Do. (1p) 24 5 (18/10)
Do. (£1) 24 5 6½ (23/10)
Alliance Bldg Soc 10³⁄₁₆pcBds due 20 11 85 £99.751 (18/10)
Amal Metal Corp
Do. 6pc(£1) 45½ 6¼ (23/10)
Avesco (7p) 52 ½ (23/10)
Bardon Hill (10p) 155½ 7
Central ITV (50p) 203 8 (21/10)
Channel Hotels Props (10p) 111 2
Corton Beach (10p) 31½ 2 (22/10)
Crusts (10p) 160 1 (23/10)
Dart Valley Light Rlwy (£1) 118 25 (21/10)
Dawson (Wm) 358 60 (18/10)
Deavermoor (50p) 200 (22/10)
Dickwella (10p) 14 ½ 5 ½ 6
Dolamore (10p) 32 3 (22/10)
Explaura (5p) 2 (21/10)
For Eyes (1p) 25 6 (23/10)
Frank Horsell (20p) 670 (21/10)
GRI Elects (10p) 460
Hard Rock Cafe (2p) 67 8
Hartley Baird (5p) 6 7 (23/10)
Harvard Secs (2p) 31 2
Home Brewery 757 765 (23/10)
ICE (1p) 960 70 (23/10)
Integrated Business (5p) 110 2 (23/10)
Jersey New W'works (£5) 550 (21/10)
Do. 2pc4thPf (£5) 78 (21/10)
Do. 5pcPf (£5) 190 (21/10)
Do. 5pc3rdPf (£5) 190 (21/10)
Do. 10pcDbBds 1988-90 £88 (21/10)
Do. 12½pcDb 1985-87 £100 (21/10)
Kunick Leisure (10p) 48 ¼
Le Riches Stores (£1) 542 5
Liverpool FC (£5) £245 8 55
Man and Lon Inv. Tst (50p) 148 9 (18/10)
Merrett (10p) 215 7
Midland City Prtnrshps (10p) 150 2 (21/10)
Monro (5p) 295 (22/10)
Norton Villiers Triumph (10p) 4 ½ (22/10)
Oldham Ests (50p) 95 ½ (22/10)
Ouvah Highfields (£1) 85 90 (22/10)
Phospher Prods (1p) £377 80 (18/10)
Publishing Hlds (5p) 24 6
RCD (£1) 650 60 (21/10)
Rangers FC (£1) £12 3 4
Schroder Prop Fd for Pens Charities £2.023 (22/10)
Shepherd Neame A (£1) 490 500 (21/10)
Sinclair Research 250 70 (18/10)
Southern Newspapers (£1) 193 5 7 8
Star Offshore Services (50p) 21¼ 2 (21/10)
Sutton Harbour Improvement 3½pc £24 (23/10)
TSL Thermal Synd. 5.6pcPf 12½ 14 (18/10)
Taddale Invs (10p) 8½ 9
Thwaites (D) (£1) 620 23 (18/10)
Town and Country Bldg Soc 10³⁄₁₆pc Bds due 20 11 85 £99.751 (18/10)
Utd Trust Credit (£1) 355 6½ 8 ¼ 60
West Wittering (£1) 108 (21/10)
Wistech (1p) 14 6 (23/10)

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

ACI Intnl 142⊕ 8 (21/10)
Acorn Secs 20 (18/10)
Adelaide Pet 17¼⊕ (18/10)
Ahold NV £60¼⊕ (18/10)
Allstate Explorations 5 (23/10)
Amatil 285 (22/10)
American Home Prods £38½⊕ ¼⊕ (22/10)
Amoco Corp £47½
Ampol 121
Ampol Exploration 149 (22/10)
Amsterdam-Rotterdam Bk £20.35⊕
APM Ord 147⊕
Applet Computer US$17¼⊕
Aquarius Exploration 27⊕ 5½ (23/10)
Assoc Manganese Mines SA £25½ (21/10)
Atlantic Richfield £45¼⊕
Aust Devel 3 (22/10)

Unilever (Fl 20) £77⅞⊕
Vaal 150 (18/10)
Veba £74.9⊕
Vereeniging Refractories 155⊕
Village Main Reef 33⊕ (18/10)
Volkswagenwerk DM 349 (18/10)
Vultan Minerals 18½ (23/10)
Walker (Hiram) Res £16⊕ (22/10)
Weis Markets US$35¼ (21/10)
Western Union Corp £7⅛
Westinghouse Electric US$39⅛⊕ (23/10)
Westmex 16⊕
World Intnl Hldgs 15 19 (21/10)
Zapex 26⊕

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

North West Oil Gas (20p) 6

(By permission of The Stock Exchange Council)

Bournemouth Dist 3.5pc £40 (22/10)
Bristol 4.025pc Pf 1983-86 £93¼. 8pc Pf 1986 £99¼ ¼ (22/10)
Cambridge 4.2pcPf 1984-86 £95¼ (22/10)
Colne Valley 3.5pc £39 40½. 4.55pcPf 1982-87 £90 (18/10)
East Anglian 2.8pcPf £30 (23/10). 7pc Db 1987-89 £87¼ ¼ (18/10)
East Surrey 7¼pcDb 1991-93 £78¼ (21/10)
Eastbourne 4.2pcDb 1985-87 £88½ (18/10). 7¼pcDb 1990-92 £79. 11.20pc Db 2005-09 (£10 pd) £10⅝
Essex 4.025pcPf 1986-88 £82½ (21/10). 4.2pcPf 1984-86 £94½ (21/10). 7¾pc Db 1991-93 £82¼ ½ (18/10). 10pc Db 1992-94 £94½. 10½pcDb 1994-96 £99½⊕
Lea Valley 3.5pc £41 (23/10). 8pcPf 1986 £99¾ ¼ (22/10). 7¼pcDb 1991-1992 £77½ (22/10)
Mid Kent 3.5pcPf £38½ (21/10). 4.2pcPf 1985-87 £88¼ (21/10)
Mid-Southern 3.5pc £40¼. 4.2pcPf 1984-86 £92 4½ (21/10). 9pcPf 1986 £103⁹⁄₃₂ ⅛ (23/10). 10pcDb 1992-94 £95½ (23/10)
Mid-Sussex 4.9pcMaxAddlOrd £95½ (22/10). 3.5pcPf 1985-87 £91 (22/10)
Portsmouth 3.5pc £42 (22/10). 4.025pc Pf 1984-89 £91 (23/10)
Rickmansworth 2.8pcPf £30⊕. 4.9pcPf 1987-88 £85½ 6 (18/10). 7¼pcDb 1991-93 £82½ 3½ (18/10)
South Staffordshire 4.9pcPf 1988-90 £82¼ (20/10). 7½pcDb 1991-94 £80 (22/10). 9¼pcDb 1998-2000 £87½ (21/10)
Sunderland South Shields 3.5pc £41 (23/10)

APPOINTMENTS

John Stansby joins Transworld Leisure

Mr John Stansby has been appointed chairman of TRANSWORLD LEISURE. He is chairman of UIE (UK), which owns the former John Brown shipyard at Clydebank. He was previously executive deputy chairman of London Transport, development director of P & O and leisure development director with the Rank Organisation. Transworld Leisure is engaged in the New Brighton leisure development scheme.

★

CORRECTION

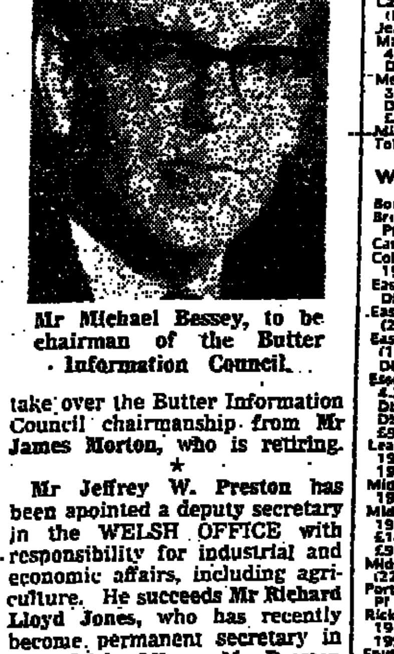
GIBBS HARTLEY COOPER, Lloyd's insurance broker and a wholly-owned subsidiary of the Hongkong Bank, has appointed Mr Leon Stoffberg as finance director. He was finance director of General Guarantee Corporation (subsidiary of Great Universal Stores).

★

Mr Brian Matthews has been appointed to the board of PENTOS. He is the chief executive of its office and contract furniture division.

★

THE BUTTER INFORMATION COUNCIL will have a new chairman from January. Mr Michael Bessey, who is director of corporate affairs of the Milk Marketing Board for England and Wales and chairman of the English Butter Marketing Co. will also take over the Butter Information Council chairmanship from Mr James Morton, who is retiring.



Mr Michael Bessey, to be chairman of the Butter Information Council.

★

Mr Jeffrey W. Preston has been apointed a deputy secretary in the WELSH OFFICE with responsibility for industrial and economic affairs, including agriculture. He succeeds Mr Richard Lloyd Jones, who has recently become permanent secretary in the Welsh Office. Mr Preston has been DTI regional director, Yorkshire and Humberside.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Oppenheimer Fund Mngt Ltd.

Pearl Trust Managers Ltd. (a)(g)

Perpetual Unit Trust Mngmt. (a)

Prolific Unit Trusts

Prudential Unit Trust Mngrs Ltd. (a) (b) (c)

Quilter Management Co. Ltd.

Reed Stenhouse Inv Services Ltd

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

N.M. Rothschild Asset Management

Rowan Unit Trust M'ngt. (a)

Royal Life Fd. Mgmt. Ltd.

Royal London Unit Tst Mgrs Ltd

Royal Trust Can. Fd. Mgt. Ltd.

SKG Management Limited

Save & Prosper Group

Schroder Unit Trust Managers Ltd

Scottish Equitable Fund Mgrs. Ltd.

Scottish Life Investments

Scottish Mutual Investment Managers Ltd.

Scottish Provident Inv. Mgt. Ltd.

Scottish Unit Managers

Scottish Widows' Fund Management

Standard Life Trust Mngt. Ltd.

Stewart Ivory Unit Trust Mgrs Ltd.(a)

Sun Alliance Fund Management Ltd.

Sun Life Trust Mngmt. Ltd.

Swiss Life Pen. Tst. Man. Co. Ltd.(a)(c)

TSB Unit Trusts (b) (c) (y)

3i & Target Fund Mgrs Ltd

Target Trust Mngrs. Ltd. (a)(g)

Temple Bar Unit Tst Mngrs Ltd

Touche, Remnant Unit Trust Mngt. Ltd.

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. (c) (y)

Tyndall Managers Ltd.(a)(b)(c)

Unit Trust Account & Mgmt. Ltd.

Vanguard Trust Managers Ltd.

Wardley Unit Trust Managers Ltd (a)

Waverley Asset Management Ltd (a) (c) (g)

WestAvon Unit Trust Managers Ltd(a)(c)

Whittingdale Unit Trust Managers

Wright Seligman Fund Managers Ltd.

INSURANCES

AA Friendly Society

Abbey Life Assurance Co. Ltd.

Aetna Life Insurance Co. Ltd.

Albany Life Assurance Co. Ltd.

Allied Dunbar Assurance PLC

Ambassador Life Ass. Co. Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

British National Life Assurance Co. Ltd

Canada Life Group

Cannon Assurance Ltd.

Chieftain Assurance Funds

City of Edinburgh Life Assurance

City of Westminster Assurance

Clerical Medical/Fidelity International

Clerical Medical Managed Funds Ltd.

Colonial Mutual Group

Commercial Union Group

Confederation Life Insurance Co.

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ins. Ltd.

Criterion Assurance Group

Crown Financial Management Ltd.

Crusader Insurance PLC

Dominion Financial Management

Eagle Star Insurance Co Ltd

Eagle Star Insur./Midland Assur.

Equitable Life Assurance Society

Equity & Law

Family Assurance Society

Federation Mutual Insurance Ltd.

Framlington Life Assurance Ltd.

Friends' Provident Life Office

G.T. Management Ltd.

General Accident Linked Life Assurance(a)

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. PLC

Gresham Unit Assurance Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Imperial Life (UK) Ltd.

Irish Life Assurance Co. PLC

Langham Life Assur. Co. Ltd.

The LAS Group

Legal & General (U.A.)—Contd.

Legal & General Prop. Fd. Mgrs. Ltd.

Legal & General (Unit Assur.) Ltd.

Liberty Life Assurance Co Ltd

Lloyds Life Assurance Ltd

London & Manchester Group

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life

M & G Group

MGM Assurance

Manufacturers Life Insurance Co (UK)

Merchant Investors Assurance

Musical Life Assurance Ltd

NEL Pensions Ltd.

National Mutual Life

National Mutual of Australasia

National Provident Institution

New Zealand Insurance PLC

Norwich Union Insurance Group

PPF Fund Management Ltd.

Pearl Assurance (Unit Funds) Ltd.

Pearl Assurance (Unit Linked Pensions)

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Premium Life Assurance Co. Ltd.

Property Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Property Growth Pensions & Annuities Ltd.

Providence Capital Life Assc. Co. Ltd.

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co. Ltd.

Prudential Assurance Co.

Prudential Pensions Limited

Reliance Mutual

Royal Life Insurance Ltd.

Save & Prosper Group

Schroder Life Assurance Ltd.

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

مكتبة الأصل

LONDON SHARE SERVICE

BRITISH FUNDS

1985 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
102 3/16	99 3/16	Exch. 11¾pc '86	100 1/16	–1/32	11.75	11.27
99½	97 1/16	Treas. 10pcCnv 1986	99½	.....	10.05	11.14
96½	92¼	Treas 3pc 1986	96 1/16xd	.....	3.13	10.29
100	97½	Exch. 10½pc Cv '86	99 11/16xd	.....	10.52	11.01
101⅞	99¾	Treas 12pc 1986	100¼	.....	11.90	11.04
98½	94½	Treas 8¾pc 1984-86‡‡	98½	–1/16	8.64	10.88
105 3/16	102 1/16	Exch. 14pc 1986	102⅞xd	–1/16	13.61	10.90
94½	87¾	Exch. 2½pc 1986	94½xd	–1/16	2.65	8.13
104 3/16	101⅜	Exch. 13¼pc 1987	102⅝	–⅛	12.91	10.81
99 3/32	96⅝	Treas 10¼pcCv '87	99¼	–1/16	10.31	10.69
93¼	85½	Exch 2½pc 1987	92⅞	–⅛	2.69	8.26
103 3/16	96¼	Exch. 10½pc 1987	99¾	–⅛	10.53	10.68
95 3/16	89	Funding 6½pc '85-87‡‡	95½xd	–⅛	6.83	10.09
99 3/16	95½	Treas. 10pc 1987	99	–1/16	10.10	10.65
91 3/16	84¼	Treas 3pc 1987	91 3/16	–1/16	3.28	8.47
102 11/16	99⅛	Treas. 12pc 1987	102⅜xd	–1/16	11.72	10.67
95 1/16	90¼	Treas 7¾pc 1985-88‡‡	94 13/16	–⅛	8.17	10.35
100 1/16	95¼	Exch 10½pc '88	99⅞xd	–1/16	10.51	10.59
98¼	93⅛	Treas 9½pc Cv '88	97 11/16	–1/16	9.96	10.65
87 3/16	80	Transport 3pc '78-88	87 1/16	–⅛	3.45	8.50
97¾	91½	Treas. 9½pc '88	97½	–1/16	9.78	10.65
102¾	97½	Treas 11½pc 1989	102½	–1/16	11.23	10.59
97 1/16	90¼	Treas 9½pc Cnv. '89	96 11/16	–1/16	9.81	10.62
84	79	Treas 3pc 1989	83 17/32xd	–1/16	3.57	8.33
99⅞	94	Treas 10½pc 1989	99½	–1/16	10.55	10.65
98½	92	Exch. 10pc 1989	98 1/16	–1/16	10.20	10.59
101 1/16	95	Exch 11pc 1989	101⅛	–1/16	10.88	10.63
86¼	79	Treas 5pc 1986-89	86 1/16	.....	5.79	9.20
108 11/16	103⅛	Treas 13pc 1990‡‡	108 5/16	–1/16	12.00	10.47
101⅝	96 1/16	Exch 11pc 1990‡‡	101¼	–1/16	10.86	10.60
103 3/16	100½	Exch. 12½pc 1990	106 11/16	–1/16	11.72	10.56
80 5/16	75¼	Treas. 3pc 1990	80 5/16xd	.....	3.74	8.33
93¼	87¼	Treas 8¼pc 1987-90‡‡	92¼	–⅛	8.89	10.24
101½	91⅞	Treas. 10pcCv 1990	97 13/16	–1/16	10.22	10.57
		Five to Fifteen Years				
108½	97⅝	Treas 11¾pc 1991	107⅝	–¼	11.27	10.64
87⅞	80	Funding 5¾pc '87-91‡‡	86⅝	–¼	6.66	9.00

Over Fifteen Years

Undated

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هكذا في الأصل

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Far West Rand

[illegible]

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[illegible]

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[illegible]

Central African

[illegible]

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[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

1985 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
550	225	Cons. Murch 10c	225	.....	086½c	3.9	10.0
40	24	Ennex Int. Ir10p	30	.....	—	—	—
123	53	Greenwich Res.	98	.....	—	—	—
215	115	Hampton Areas 10p	132	+7	3.75	0.9	3.8
260	135	Highwood Res.	150	.....	—	—	—
£22½	£15¾	Homestake Mining $1	£15¾	–⅜	020c	—	0.9
310	155	McFinley Red Lake	235	–5	—	—	—
335	195	Mosto Explorations	230	+5	—	—	—
55	25	New Sabina Res C$1	47	+5	—	—	—
375	195	Northgate C$1	200	.....	—	—	—
685	530	RTZ	553	+8	†20.0	2.8	5.2
£145½	£116½	Do. 9½pcLn '95-2000	£125½	–1	09½%	14.0	†7.8
980	910	Tara Explo $1	936	+11	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable, bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ☆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ¶ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ✗ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	98	.....
Craig & Rose £1	700	.....
Finlay Pkg. 5p	54	.....
Higsons Brew	235	.....
Holt (Jos) 25p	715xd	.....
IoM Stm. £1	87	.....
IRISH		
Fund 11¼% 1958	£101⅛	.....
Nat. 9¾% 84/85	£95¼	–⅛
Fin. 13% 97/02	£107¾	–½
Arnotts	212	.....
CPI Hldgs	63	.....
Carrol Inds.	140	.....
Dublin Gas	85	.....
Hall (R. & H.)	59	.....
Heiton Hldgs.	22	–1
Irish Ropes	45	.....
Unidare	112	+4

For Jacob (W. & R.) see Foods

"Recent Issues" and "Rights" Page 20

FINANCIAL TIMES
Saturday October 26 1985

NCB offers incentive schemes

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE National Coal Board has produced a range of incentive schemes designed to move the industry and its workers away from a reliance on basic grade rates towards a payment system based increasingly on output, productivity, attendance and safety standards.

It has told the Nottinghamshire mineworkers, the largest component of the putative Union of Democratic Mineworkers, that acceptance of a modest basic pay package would be followed by pit-by-pit talks on a three-tire incentive deal tailerod to the needs of different grades of workers and collieries.

The basic package consists of a minimum of £5 or 4 per cent (whichever is the greatest) on grade rates bringing the value of the basic offer to 4.5 per cent, plus a 50p increase to £6.80 in the weekly rate for achieving 100 per cent of output target.

This would add about £10 to the average weekly earnings of a Nottinghamshire face worker, bringing them to just over £210. It would raise the basic pay of a surface worker by £5 to £114.85, or, with incentive, to about £120.

The pit level schemes are the most innovative part of the deal. They are designed to increase output and productivity, and also to favour Notts and other UDM areas and pits willing to negotiate on incentive packages.

The National Union of Mineworkers, which has still to receive a response from the Coal Board to its claim for substantial increases, is committed by decisions of its national conference to phase out incentive payments over the next five years.

Three schemes have been put to the Notts officials in outline form.

The first is designed mainly for face and development workers—known as "installation agreement" workers—and will be based on improvement in performance and output. These workers will be expected to sign a performance contract.

The second is designed mainly for underground workers not at the face, and for surface workers—known as "non-installation agreement workers"—who will be paid bonuses based on the financial viability of the colliery.

The third package, available to all workers, will pay extra earnings based on improved attendance and higher safety standards.

The board has told the Notts officials that none of these three schemes has gone beyond a rough form, and that they seek detailed discussions with pit officials as to how they could be implemented.

However, it is understood that the schemes will be available on a national basis. They will thus stand as an incentive for pits throughout the country where high output could lead to higher incentive payments, to join the UDM in order to qualify for such payments.

Mr Tom Crewe, a former mineworker, has won a council by-election victory for the Labour Party in Sherwood, the heart of UDM country and presently a Conservative-held constituency. He won 698 votes to an independent's 395 and the Social Democratic Party's 355.

Meanwhile, leaders of the Yorkshire area of the National Union of Mineworkers were confident last night that Mr Sammy Thompson, area vice-president, had beaten off a challenge from Mr John Walsh, the North Yorkshire area agent and a right-winger. Mr Walsh had successfully demanded that the election be held by ballot.

And Cortonwood Colliery, the pit whose threatened closure helped spark off the 12-month miners' strike, closed last night. The last cage-load of miners came up from underground at lunchtime.

The pit was the main source of employment for the village of Brampton for the past century. During the strike, the pickets' headquarters at the pit gates—named The Alamo—became a much photographed symbol of the dispute.

Peking threat on nuclear plant bids

By Robert Thomson in Peking and David Marsh in Paris

CHINA IS threatening to seek competitive bids for its $4bn (£2.8bn) nuclear power station in Guangdong province following another round of fruitless negotiations with the designated contractors, General Electric Company of the UK and Framatome of France.

The project, intended mainly to supply power to Hong Kong, has always had strong political overtones. Its inception in 1982 coincided with talks between China and Britain on the future of the colony. Also, it is a joint venture between Hong Kong and Chinese electric utilities.

GEC would supply the power generating equipment for about £500m and Framatome the nuclear reactors for about $1.4bn. They submitted their bids early in 1984.

A start was expected last year at the Daya Bay site 50 miles from Hong Kong but there has been protracted haggling over prices.

Earlier this month, the British sent out teams of industrialists, bankers and government officials. The aim was to reach a settlement by last Tuesday.

However, even after an extra day of talks on Wednesday, there was still no agreement and on Thursday most of the GEC and British Government negotiators decided to leave Peking.

British officials insisted the talks had not been suspended. There was only a "pause." GEC said both sides were considering the matter.

The French have carried on discussions, but a French official in Peking said a pause was a distinct possibility for them as well.

In Paris, hopes of concluding a deal are fading. The French are disturbed about the high cost — about FFr 7m to FFr 8m a month — of maintaining a team of engineers and experts in Peking.

The Chinese are understood to have pressed for discounts of up to 20 per cent from Framatome and up to 25 per cent on equipment to be purchased from GEC, as well as for better credit terms.

A French official said the British and French had been willing to take "three or four steps" to appease the Chinese, but the Chinese were "not willing to take one step."

An official from Guangdong Nuclear, the Chinese company in the joint venture, was reported in Hong Kong yesterday to have indicated that the time for negotiating was coming to an end.

"They will have to give us their final prices and we will decide once and for all whether to accept them," the official was quoted as saying. "If there is no agreement this time, we will have to reassess the whole situation and possibly find new suppliers from other countries."

When the joint venture was set up in January, the Chinese leader Deng Xiaoping said the project was "of tremendous significance to maintaining Hong Kong's prosperity and stability and increasing Hong Kong people's confidence."

China has previously announced ambitious plans to build 10 nuclear power plants by the year 2000, but details of the next five-year plan, due to take effect from 1986, indicate the country intends to give top priority to the development of thermal power stations.

THE LEX COLUMN

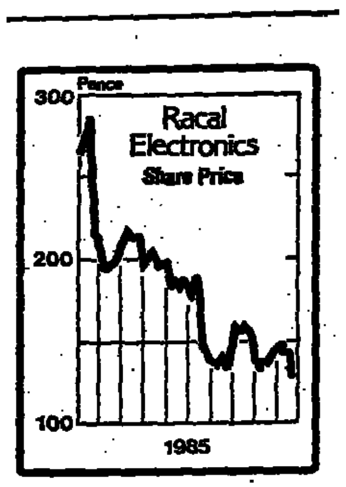
The honourable way in Tokyo

Fear of American protectionism has clearly won all the political arguments in Tokyo. Although the yen bond market had been showing signs of overheating, there is no other explanation for yesterday's violent official demonstration of a new tough interest rate policy than a new determination that the yen could not be allowed to depreciate, at any rate beyond about Y220 to the dollar.

This way of delivering Japan's commitment under the New York dollar-control agreement is undeniably painful for the domestic Japanese markets. For bond yields to rise by almost a full point in one day's trading something that has probably not been experienced in post-war Japan, and the big securities houses will be ruing the capital losses on their bond positions. Even if none of the big four has actually been overstretched by yesterday's move, it will take a while for the doubts to be quelled. In the circumstances it would be no surprise if the underwriting of the next government bond issue were indefinitely shelved.

Higher interest rates can be relied upon to slow the economy, and to undermine a stock market which has been living for some time on a forecast of static 1986 earnings alleviated only by falling interest rates. But where the maintenance of Japan's access to international markets is at issue, these are affordable casualties. It is nonetheless unfortunate that a tighter bond market seems bound to cramp the domestic reflation which was supposed to deliver an underlying improvement in the trade balance.

Index fell 0.8 to 1050.8



Racal

Just when the market at large may have been thinking it was safe to go back into the shares, Racal has released another of its well-prepared surprises. Racal's Milgo data communications subsidiary in Florida has decided that the U.S. computer recession is after all serious enough to demand some redundancies and a management reorganisation. As happened with the collapse of earnings in its Vadic subsidiary last year, the unpleasant truth has taken a surprisingly long time to defeat Racal's often-expressed optimism.

The damage done to Racal's stock market name may well be more serious than the 14p that was knocked off the share price yesterday. It almost beggars belief that the company did not consider information about one of its major subsidiarie's price sensitive enough to be made available to the stock market until three days after the news had been published in a Miami newspaper, and until the shares had already fallen by more than 10 per cent in a morning, amid rumours that directors had sold shares (true) and that factories were to be closed (false).

Still more worrying, it appears that an inner circle of the market had known that Milgo was not up to budget for nearly a fortnight before the announcement; a brokers' lunch had seen to that, and the shares had quietly drifted even before yesterday's announcement. Altogether, the shares now stand some 28p below their pre-lunch price. Those looking for consolation may see the announcement as evidence that Milgo has been through the worst of its difficulties and has now been properly cleaned up; but that has been said before. Indications from Racal as to the prospects for its business have never stood at a deeper discount.

Airlines

Privatising airlines has become rather a vogue. Both the Singaporean and Malaysian Governments are selling stakes in their national carriers and rumour has it that others might follow suit. Doubtless the Treasury will be watching closely for help in valuing British Airways for next year's float.

The precedents, however, provide conflicting clues. In the U.S., for instance, where deregulation has made domestic routes highly competitive, airlines are rated on multiples of around 7½, or about 70 per cent of the average industrial rating.

SIA, the Singapore carrier, will be floated on a p/e of about 11, again a large discount to the local market's average, and SIA's depreciation policy is so conservative that on a true measure of earnings, the multiple is even lower. Malaysian Airline System is being sold at well under its true worth, according to a new de Zoete & Bevan study, on a p/e of 6.

The Treasury might do better to look at the European experience. At least these airlines are afforded about the same degree of protection from competition and are exposed to Euroepan, rather than Far European, rather than Far Perhaps the best comparison is KLM — like BA, an airline with a small domestic base but a strong international network — which trades on a p/e of about 8. But then the Government will be trying to sell at least £1bn of stock, so the market can probably count on a fair discount to ensure the issue has a smooth take-off.

C. H. Beazer

Like most other companies which expand fast by using their shares for acquisitions, C. H. Beazer is on a treadmill when it comes to increasing its earnings per share. In yesterday's results for the year to June, pre-tax profits are up 40 per cent at £15.8m, while fully-diluted earnings per share have risen by only 13 per cent. And in the coming year, when more shares will be in issue, Beazer will need the same sort of profits grwoth to keep the earnings per share increase in double figures.

Recent acquisition attempts must have been frustrating. The company lost the Bath and Portland battle and now looks like having to give up SGB to BET. Beazer would find it hard to justify a leapfrog bid to its shareholders since BET's offer looks extremely generous already. Its main hope must be for the rival bid to be disallowed by the Monopolies Commission. If it is not, Beazer can at least walk away with a £2.3m gain on its SGB stake, but there is no obvious alternative target. Still, even without a new acquisition, it should reach £22m, putting the share on a prospecive p/e of over 10. On the company's past record, that might seem reasonable, but it leaves Mr Beazer little room for error in the future.

State of siege in Argentina

By Jimmy Burns in Buenos Aires

THE ARGENTINE Government yesterday took powers to detain without trial persons suspected of conspiring against the state. In a surprise announcement, it declared a state of siege for 60 days.

The move came against a background of continuing bomb attacks against military and civilian targets. These have cast a shadow over the mid-term elections which are due to take place on November 3.

The initiative is the first since democratic elections were held in October 1983. It is aimed principally at providing the Government with the necessary constitutional juridical basis for enforcing Tuesday's arrests of six military officers and six civilians allegedly linked with the recent terrorist campaign.

On Wall Street U.S. bank shares were affected by what analysts called a "knee-jerk" reaction over their exposure to Argentina's $49bn (£34.5bn) foreign debt.

In midday trading Citicorp fell $1⅜ to $41⅜, Bankers Trust New York Corporation dropped $1¼ to $62¼, Manufacturers Hanover declined $⅛ to $38 and Chase was down $¼ to $56.

Snr Antonio Troccoli, Argentina's Minister of the Interior, stressed that the Government had been reluctant to make such an unprecedented move but said it was necessary to deal with the public storm provoked by the 12 arrests.

Government supporters claimed that the arrests were a precautionary measure aimed at neutralising the efforts of destabalisation by right wing groups linked to hard line sectors of the armed forces.

Some jurists and opposition leaders, however, argued that the initiation of arbitary powers of arrest without formal declaration of a state of siege was unconstitutional.

On Thursday a federal judge ordered the release of one of the suspects, retired Army Col Alejandro Duval.

In spite of the dramatic implications of yesterday's initiative, the atmosphere in Buenos Aires remained generally calm. Government officials moved quickly to emphasise that they had made what was mainly a technical manoeuvre which would not affect next week's elections.

GEC reviews its public image in the face of City criticism

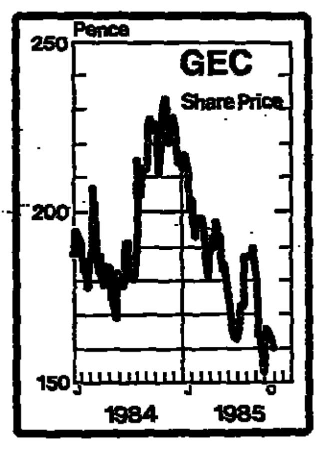
BY GUY DE JONQUIERES

THE General Electric Company has ordered a company-wide review of its public relations policy to improve its external communications.

The review was initiated by Lord Weinstock, GEC's managing director, and Mrs Sara Morrison, a main board director. It is being carried out by Mr Alan Kilkenny of London public relations consultants Grayling. It is due to be completed within three months.

GEC has been criticised in the City and Whitehall in the past 18 months for not acting more aggressively to invest its £1.4bn cash mountain.

Mrs Morrison said yesterday that some GEC managers were so busy winning orders they felt they had no time to talk to the press. She had written to them saying the new public relations consultant could help supplement "their not always most imaginative communications with each other and the outside world."



Though GEC used some of its cash mountain recently to buy its own shares, their price on the Stock Exchange has remained well below the high of 255p reached in 1982. It fell 2p yesterday to close at 160p, 10p above this year's low of 150p.

Mrs Morrison said the public relations review was linked to preparations for GEC's centenary and Industry Year, which fall next year. She hoped it would also lead to a more general improvement in GEC's public image.

"A lot of our hard-pressed managing directors may gripe when the announcements of their hard-won orders go out on scruffy little pieces of paper," she said. "We felt it was timely to take a look."

Mr Kilkenny said: "There is an awful lot of great news in GEC which is not being communicated. I think we can help the company do that."

Mr Kilkenny, who previously worked for the UK subsidiary of Sony of Japan, said he had been given a wide-ranging brief to examine all areas of GEC.

GEC consists of more than 100 different companies, many of which have their own press officers. It also has a small press office at its headquarters in Mayfair, London.

GEC wins Italian order, Page 3

Continued from Page 1

Minebea bid rebuffed

the move unfavourably, believing that neither Glen nor Trafalgar would offer proved management skills to Minebea. Further, shareholders in Japan are noted for their loyalty; more than 50 per cent of Minebea's shares are believed to be in secure hands.

Yet Trafalgar-Glen is known to have built up a sizeable stake in the Japanese company through purchases of equity, convertible bonds and warrants. The exact holding is not known, but Glen claimed in London yesterday that the partnership controlled more than the 37 per cent it has already declared.

Trafalgar-Glen said it proposed to pay for the shares with a mixture of cash, convertible debentures and zero-coupon bonds. Minebea's shares closed in Tokyo yesterday at Y800, before the bid was announced.

"It's absolute drivel," said a British investment manager who specialises in mergers in Japan. "If it was alowed to succeed, it would completely blow apart the nature of business in Japan and open the floodgates to hostile takeover bids. The Ministry of Finance couldn't let that happen."

The bidders, however, seem determined to press ahead, despite the dismissive reception that the offer received.

The formal offer document attacks Minebea's trading policy, corporate strategy and management style. "As investors in Minebea, we are concerned about the company's rapid growth through the acquisition of other companies. Expansion in this manner often represents an effective business strategy, but only if managed properly.

"In the case of Minebea, reject of a bid from Minebea) would seriously affect Minebea."

Trafalgar-Glen also said that its worldwide activities presented, "attractive investment and business opportunities which will be made available to Minebea after the merger."

In an apparent attempt to allay some of the traditional Japanese mistrust of corporate foreigners, the offer document continued: "The partnership intends to bring to Minebea several experienced Japanese businessmen in order to restructure the company and pursue such opportunities."

Mr Takahashi sharply criticised Trafalgar-Glen's method of operation, saying that its many previous announcements about intending to buy the group had been "sensational and not practical."

This aggressive approach, he said, would alienate shareholders. "The shareholders are free to choose: but I think their manner is not right. In Japan, feelings are very important."

Trafalgar-Glen reacted to Mr Takahashi's comments by stressing that the bid was a serious one. Mr Graham Richards, corporate consultant to Glen, said the group had 10 years' experience of the Japanese corporate sector. The deal had been "professionally worked out down to the last detail."

It was a sign of the seriousness of the offer, he believed, that Minebea was considering a protective merger to fend off the bid.

Mr Charles Knapp of Trafalgar, and Mr Terry Ramsden, of Glen, are expected to visit Tokyo in the next few days for talks with Minebea and the Ministry of Finance.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Aidcom Intnl	69	+ 5
Babcock Intnl	161	+ 13
Brook St Bureau	178	+ 8
Cantors A	78	+ 8
Cope Allman	228	+ 10
Distillers	440	+ 10
First Natl Finance	154	+ 16
Mercantile House	248	+ 11
Normans	78	+ 3½
Owen Owen	495	+ 20
Redland	349	+ 10
Robinson (Thomas)	154	+ 9
SCUSA	112	+ 9
Staveley Inds	350	+ 15
Stockley	78	+ 4
VG Instruments	328	+ 12
Ward Hldgs	258	+ 34
FALLS		
Conv 10¼pc 1999	£97¾	− ¼
Asse Dairies	142	− 4
Berjuntai Tin	85	− 11
Boot (Henry)	297	− 78
Clayton Son	128	− 9
Geevor Tin	140	− 27
Gopeng Berhad	90	− 10
Racal Elect	128	− 14
Tronoh Mines	180	− 10

WORLDWIDE WEATHER

Dry and sunny in most places. Cloudy NW. Outlook: Cloudy in NW, elsewhere dry with sunny periods.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	21	70	Corfu	S	22	72	Luxmbg.	S	8	46	Porth	F	22	72
Algiers		—	—	Dallas†	F	19	66	Madeira	S	23	73	Prague	S	9	48
Amsdm.	S	7	45	Dublin	F	12	54	Madrid	S	18	64	Rykjvk.	C	10	50
Athens		—	—	Dbrvnk.	S	18	64	Malaga	S	23	73	Rhodes	S	21	70
Bahrain	S	28	82	Ednbgh.	C	11	52	Malta	F	21	70	Rio J'o†		—	—
Beirut		—	—	Faro	S	24	75	M'chstr.	F	13	55	Rome	S	21	70
Belfast	S	11	52	Frankft.	S	10	50	Melbne.	F	17	63	Salzbrg.	S	10	50
Belgrd.	S	8	46	Geneva	S	10	50	Mx. C.†		—	—	S'cisco†	F	11	52
Berlin	C	5	41	Gibrltr.	F	21	70	Miami†	S	24	75	Singapr.	F	29	84
Biarritz	R	14	57	Glasgow	C	12	54	Milan	S	14	57	S'tiago†		—	—
Bmghm.	F	10	50	G'msey	C	12	54	Montrl.†	C	10	50	Stckhm.	S	8	46
Blackpl.	S	12	54	Helsinki	S	8	46	Moscow	C	7	45	Strasbg.	S	10	50
Bombay	S	32	90	H. Kong	C	28	82	Munich	S	9	48	Sydney	R	14	57
Bordx.	R	14	57	Innsbrk.	S	13	55	Nairobi	C	19	66	Tel Aviv	F	23	73
Boulgn.	S	11	52	Invrnss.	C	9	48	Nassau		—	—	Tokyo	S	18	64
Bristol	C	11	52	I.o.Man	S	12	54	Nwcstl.	F	11	52	T'r'nto†	C	5	41
Brussels	S	10	50	Istanbul	F	12	54	N. Delhi	S	28	82	Tunis		—	—
Budpst.	S	12	54	Jersey	S	12	54	N York†	C	18	66	Valencia	F	20	68
Cairo	S	27	81	Jo'burg	T	28	82	Nice	R	14	57	Venice	S	13	55
Cardiff	S	11	52	L. Plms.	S	23	73	Nicosia	S	23	73	Vienna	S	11	52
Cape T.	S	19	66	Lisbon	F	20	68	Oporto	S	18	64	Warsaw	C	8	46
Chicg.†	F	2	36	Locarno	F	12	54	Oslo	S	6	43	Zurich	C	7	45
Cologne	S	11	52	London	S	13	55	Paris	S	13	55				
Cpnhgn.	C	4	39	L. Ang.†	C	16	61	Peking	C	15	59				

C—Cloudy. F—Fair. R—Rain. S—Sunny. T—Thunder.
† Noon GMT temperatures.

Government defends its handling of North Sea oil revenues

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

THE Government yesterday mounted an aggressive defence of its handling of Britain's oil wealth, aimed at rebutting opposition claims that North Sea revenues have been squandered.

In a speech to oil industry executives in London, Mr John Moore, the Financial Secretary to the Treasury, said the revenues had been "widely and prudently" invested by both the public and private sectors.

Mr Moore's speech was seen in Whitehall as part of the shift in presentation of official policy to counter what is regarded as unfair criticism that much of the oil income has been spent on unemployment benefits or been invested overseas.

It followed a report this week from Mr Tony Blair, Labour's Treasury spokesman, who accused the Government of "frittering away" the £62bn it had received from oil revenues and sales of special assets.

Mr Moore condemned the "gloom-merchants" who blame oil for all of Britain's modern ills. He defended the Government's record on investment, while attacking Labour's plans to encourage repatriation of overseas assets.

Average annual public spending on infrastructure had been higher in real, or inflation-adjusted, terms than when the Conservatives came to power in 1979, he said. Capital expenditure on roads, electricity and gas, and on the National Health Service had all risen.

The Government has placed increasing emphasis on publicising its investment record as industrialists in the Confederation of British Industry and elsewhere have joined opposition calls for more spending infrastructure.

At the same time, Mr Moore said, the sharp increase in Britain's overseas assets resulting from North Sea oil output —from £12¼bn in 1979 to £73½bn last year—guaranteed a flow of income for future generations.

The transfer of funds abroad, however, had not prevented industrial investment at home from rising to record levels last year.

The balance of payments had shown a surplus for five years in succession, the best performance since 1945, and would continue to benefit from foreign investments long after oil production itself had started to decline.

"Oil has provided a seedcorn which has been wisely and prudently invested so that the capital will grow and will pay dividends to the nation for generations to come," he said.

In a reference to Labour's plans to withdraw tax concessions on funds invested abroad, he added: "In the months ahead you will be told a different story by those who wish to control and direct other people's money. These people will pretend that the oil wealth has been squandered; they will deny the clear facts about investment at home and they will claim investment abroad is somehow evil."

Star Chamber talks end, Page 3

WEEKEND FT

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A leap in the dark

The City of London has embarked upon radical financial reform of a kind no other developed country has attempted. **John Plender** and **Paul Wallace** look at the revolution . . .

WHEN Mrs Thatcher's Conservative Government returned to power in June 1983, few foresaw that the City of London was destined to become a key target for radical reform. Yet, within 18 months of the election the institutional landscape of the Square Mile had been dramatically transformed. By then:

- Foreign and domestic banks, insurers and investment institutions had bought into all but one of the biggest firms on the Stock Exchange.
- The Stock Exchange itself had embarked on the overhaul of a dealing system that had lasted for more than three-quarters of a century.
- The institutional barriers between banking, insurance, broking and jobbing were all, to a greater or less degree, crumbling.

In spite of a general tendency across the globe towards the liberalisation of financial markets, no other developed country has risked such a fundamental reform of its financial system — which no doubt helps explain why the upheaval came to be dubbed "The City Revolution." But it might equally have been called the great leap in the dark, or the gamble of the century.

For, even today, when the broad outlines of the new City have been mapped out and many of the changes are taken for granted by practitioners in the markets, no one can be quite sure whether the whole thing will work.

So why did it happen? How far was the reform consciously managed? And what are the risks involved?

The immediate cause of the revolution was a deal, struck after a few brief weeks of secret negotiation in summer 1983, between the then Secretary of State for Trade, Cecil Parkinson, and Sir Nicholas Goodison, chairman of the Stock Exchange. In essence, Goodison agreed to seek to bring about the abolition of fixed commissions on share transactions if the Government would call a halt to a legal case in which the exchange's rule book was due to come under attack in the Restrictive Practices Court.

At the time, it looked suspiciously as though the Government was dispensing favours to its friends in the City in the aftermath of the landslide at the polls. But, with hindsight, the more remarkable feature of the Government's compact with the Stock Exchange was that so few people, in or out of the City, had any clear notion of how far-reaching and uncomfortable a reform it would unleash.

One person in the City who did have some idea of the implications, however, was David Walker, an executive director of the Bank of England. Walker, a former Treasury official who had taken the unusual step of emigrating to the Bank, played a pivotal role both in engineering the Parkinson deal and in steering subsequent events in the securities markets. He was anxious, among other things, to promote a sponsorship role for the Bank in relation to the financial services sector, much as Whitehall departments sponsored individual industries. As part of this policy he set in train, in 1982, an internal study which was designed to quantify British firms' penetration of international financial markets.

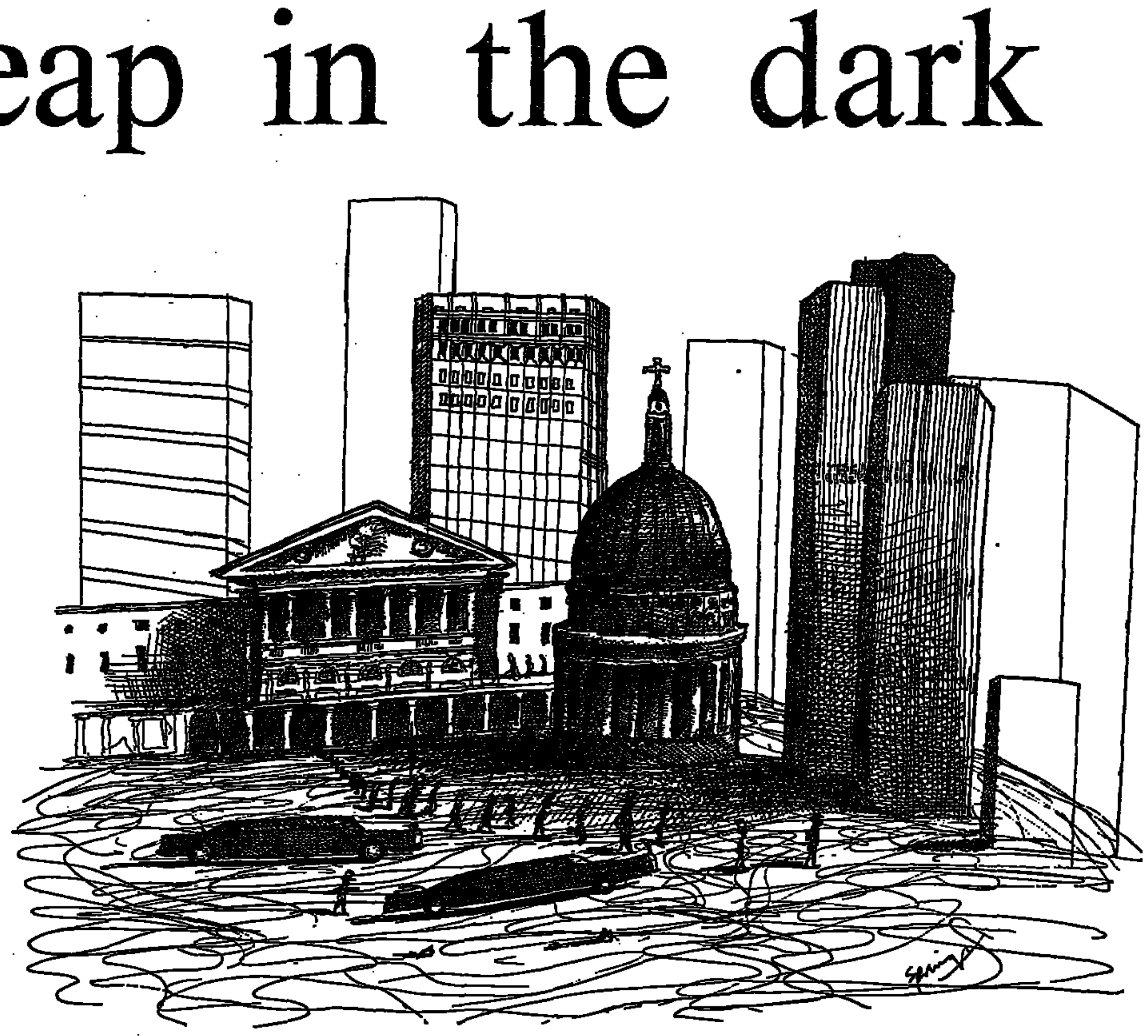
The results of this exercise pointed to an uneven performance, which highlighted the need for reform. In international banking, British institutions had established themselves as a force in the important syndicated credit markets, although they had failed to capitalise fully on London's post-war position as the centre of the burgeoning Euromarkets. In insurance, the British had more or less held their own in spite of the growing protectionism and increasing competition around the world; and in insurance broking, British firms had won an impressive place towards the top of the international league. Even in commodities, the City had performed creditably in terms of market share.

In stark contrast, British stockbrokers and jobbers stood out for their parochialism. Most of the Stock Exchange's member firms had stood aloof from the fast-growing Eurobond market, which far outstripped Britain's domestic capital markets in size. And their share of international business had declined steadily over the years, to the point where they had been overtaken even by City solicitors in their foreign exchange earnings.

Part of the explanation for the poor showing by securities firms lay in history. The City's pre-eminence as an international financial centre owed much to its relative freedom from government interference. The absence of heavy handed regulation in the Square Mile, together with the Bank of England's open door policy towards foreign banks, made London an attractive financial entrepot for footloose banks and other corporate refugees from more tightly regulated centres. Yet, that same freedom allowed restrictive practices to flourish.

Seen from the Stock Exchange members' point of view, the system of "single capacity," whereby a firm distinction was observed between brokers (who acted in the capacity of agent on behalf of the investing public) and jobbers (who acted as principal on their own behalf and dealt only with the brokers) had considerable merit. It enables firms to generate high returns on very little capital and provided a fair degree of protection for investors. Fixed commissions were seen as an essential prop to the system of single capacity.

But in the early 1980s, in an increasingly competitive climate, the Bank of England adopted a less benign attitude to the cosy traditions of the great City clubs such as Lloyd's and the Stock Exchange. Club rules that inhibited competition were potentially damaging to London's role as an international financial centre and were thus, in the eyes of senior officials, in conflict with the national interest.



The lack of competitiveness in securities dealing was particularly worrying because, in the aftermath of the Third World debt crisis, growth in the international financial markets was shifting away from the banking sector towards the securities markets. And, in practice, more and more securities trading was by-passing the Stock Exchange as new technology and increasing internationalism in fund management opened the way to 24-hour dealing in equities across the globe.

Business in leading British shares such as ICI, BP and Glaxo was leaking away to Wall Street as the decade progressed. By 1984, shares in ICI were being traded more heavily in New York than in London; and London-based American securities firms were cheerfully dealing in British equities outside the Stock Exchange.

In the gilt-edged market, where the Stock Exchange depended for its living on the patronage of the Bank of England, the position appeared more secure. But while the Old Lady showed no sign of wishing to see business in gilts take place outside a central market, her attitude to the exchange was becoming more robust in the increasingly competitive international climate of the 1980s.

One of London's problems was that the whole dealing structure on the Stock Exchange was out of tune with the trading methods that prevailed in free-wheeling international markets, where a single firm could act both as agent and principal in issuing, distributing and making markets in securities.

The disadvantages were pungently conveyed by Jacob Rothschild, of the well-known banking family, at a Financial Times conference in 1983. Rothschild combined a powerful argument for the formation of financial conglomerates to cope with the new market climate, with a devastating critique of the Stock Exchange. He claimed that the system of single capacity and the reliance on private partnership, with its attendant tax advantages, had left British firms badly short of the capital required to ensure liquid markets.

The combined capital of London's jobbers, he indicated, came to less than £100m; by contrast, the market capitalisation at the time of Merrill Lynch, the U.S. broking and financial services concern, was over £2,500m; while that of Nomura Securities, the biggest Japanese securities house, was more than £3,000m. The combined profits of the whole Stock Exchange, he added, came to less than the $500m earned by a single New York firm, Salomon Brothers, in a single year.

Small wonder, then, that the Bank of England had already concluded that it was necessary to recapitalise the British securities industry. It also believed that the Restrictive Trade Practices Court was a wholly unsuitable place in which to settle the future structure of the Stock Exchange. Senior officials were convinced that a delicate balancing act was required, whereby outside competition and fresh capital were phased-in over a period to ensure that over-protected domestic firms were not wiped out by sudden exposure to the full blast of international competition.

To this end, the Bank of England had been fighting a fierce lobbying campaign in Whitehall. And after being turned down first by John (now Sir John) Nott, then by John Biffen, it finally found a sympathetic ear on the appointment of Lord Cockfield to the job of Trade Secretary.

In the event, the lobbying efforts were overtaken by the general election and a change of governor at the Bank. But Cockfield's successor, Cecil Parkinson, was of the same mind; and the Chancellor, Nigel Lawson, also gave his blessing to a deal with the Stock Exchange.

When the deal was finally struck in July 1983, it was remarkably sketchy. Fixed commissions were to be abolished by the end of 1986; outsiders were to be brought onto the Council of the Stock Exchange; and the Bank of England was to have a monitoring role in the interim. Yet, there was no public commitment to allow outside companies to buy controlling interests in member firms. Nor was there any formal agreement on the future market structure.

Some officials in Threadneedle Street saw the issue in more clear-cut terms. Months before Parkinson's announcement, papers were circulating in the Bank discussing the potential problems inherent in a move towards a system modelled on the American over-the-counter market known as NASDAQ — a dual capacity model which the Stock Exchange was later to adopt.

Moreover, the informality of the Parkinson deal perfectly suited the Bank's traditional penchant for the discreet exercise of "moral suasion" in its City parish. It also had the advantage of leaving Sir Nicholas Goodison some leeway in persuading his membership to accept the case for reform. This was no mean task, since the interests of the smaller member firms conflicted sharply with those of the big boys.

As for the bankers who had hitherto been excluded from the Stock Exchange, they were in little doubt as to the outcome. Lord Camoys, vice chairman of Barclays Merchant Bank, heard of the deal while on holiday in Ibiza. He immediately telephoned his office in the City to initiate papers on future strategy, in which it was taken for granted that the Stock Exchange would move to American-style dealing in which firms were allowed to act both as agent and principal.

The thinking was much the same at S. G. Warburg, which had been the most successful of the British merchant banks in carving out a niche in the Eurobond market. There, senior directors had long been aware that it was essential to offer an integrated service. Little money was to be made in issuing bonds unless the issuer also distributed the bonds to investors; and investors were reluctant to buy bonds from a house that was not prepared subsequently to make a market in those bonds.

In other words, there were not three rewards to be in the business, but only one. Failure to offer an integrated service was likely to put the issuing house at a competitive disadvantage. This was a powerful argument in favour of financial conglomeration. And when the Parkinson deal was announced, Warburg concluded that the international way of handling issues would ultimately drift over to the British market. It planned its strategy accordingly.

Those plans involved the acquisition of minority stakes in stockbroking and jobbing firms with a view ultimately to taking control. But how could anyone be sure that the Stock Exchange would agree on reasonable terms of entry for would-be purchasers?

The short answer is that most of the potential acquisitions were conditional on the Stock Exchange doing its bit. And a combination of hints, nods and winks, in the autumn of 1983 together with the heady scent of profit in the air, was enough to ensure tht active overtures were soon being made by likely buyers and sellers.

The stampede began with the announcement by the U.S. banking giant, Citicorp, that it had bought a 29.9 per cent stake in the medium-sized broker, Vickers da Costa. Ironically the original negotiations pre-dated the Parkinson deal and Vickers was one of the few Stock Exchange firms to derive a majority of its revenues from overseas securities business.

But the generous terms, which valued

Continued on back page

The Long View

No surprises in deal of the week

Anthony Harris seeks to dispel a claim that he is a pessimist with an endorsement of an indexed loan scheme which is useful and contrasts with "sophisticated" finance as practised today

A READER has written to complain that I am a boring old pessimist. He would prefer to see this space devoted to something uplifting, such as a "Deal of the Week" column. This suggestion almost provoked a further 1,000-word grumble about appalling young men, but then along came some news that made me think there was something in it after all — a genuine deal of the week. Here goes, then (although, as you will see, it does not seem likely that the go-go enthusiasts will be asking for any more from this particular source).

The bad news, you see, is that this deal is for a mere £15m, and all the paper concerned has already been placed. There is nothing for the rest of us to do except, perhaps, think about it.

The deal, as attentive readers of our front page may already have guessed, is the Halifax Building Society's indexed loan, to be lent on to housing co-operatives to provide houses to let at indexed rents.

Boring? By all means: but that is the point of the thing. Sound bank financing ought to be boring, like bank architecture and bank managers. It should also be useful and appropriate. The Halifax wins on all points.

To make the boringness a little less forbidding, it should perhaps be called transparency, one of those buzz-words that comes into vogue from time to time. Everyone concerned knows exactly what they are in for.

The tenant rents a house which may look encouragingly cheap; but he knows that the rent will go up every year with the cost of living, which may squeeze him if his income does not keep up. The co-operative takes the risk that he will not actually be able to pay, and the Halifax takes the risk that if the whole enterprise collapses, the value of the property may not have kept up with that of the indexed bond.

These risks (and the running costs) are charged for, naturally. The Halifax takes a 72-basis-point spread, and the co-op will doubtless add a spread of its own. If other building societies and builders follow this splendid example, competition might compress these spreads a little, to the benefit of the investor or the tenant or both. Nobody is going to get terribly rich, and nobody looks likely to lose. The fact that somebody is going to get an affordable roof over his head, and that somebody else can be a little more sure about the buying-power of his pension is not financially interesting, or is it?

Yet contrast this with what passes for sophisticated finance these days. You do it off the balance sheet (mustn't get the supervisors excited); you ring up your favourite blue chip corporate treasurer and persuade him first to issue a large bill (which you underwrite), and then to let you pass the proceeds on through a whole chain of currency swaps, interest rate swaps and banks to a final borrower goodness knows where.

This is obscure and complicated, by all means, but it really isn't smart. If any effective credit management has been applied anywhere in the chain, it is a happy accident; after more than a decade of inflationary erosion of debt, good credit managers are as rare in the financial community as dragon's teeth. Even if you know who carries the can if the final borrower goes bust — or one of the intermediates (and according to the Deputy Governor this often is not clear) you have further risks involved in the swaps which it takes a good PhD in mathematics to calculate. Not very many banks have one of those, either.

Yet this whole mess of unreported and largely unknown risks are shouldered for remarkably little reward. The spreads are generally much less than the Halifax can get on its low-risk, perfectly matched enterprise. This is simply because the sums involved are very large, which is sexy; so the appalling young men beat each other financially over the head to get their share of the business. And if all goes well, the result is that the corporate treasurer makes a small turn on his borrowing power to enable someone else to borrow the money to pay interest on what they already owe.

All this inovative, risky stuff is what the Chancellor of the Exchequer calls structural change and what Adam Smith (the American Mark II version) might call churning. The idea is to invent or provoke new transactions which will generate a fee (and with thinner commissions, stockbrokers will be sorely tempted to get up to these tricks). In the banking field it probably does, as the Chancellor guessed, inflate the measures of broad money, and helps to explain why cash-rich companies borrow such a lot. They are churning too.

At the Mansion House 10 days ago the Chancellor appeared to wash his hands of the whole business, and its associated statistics; but this could be good news for those of us who yearn for sane finance. It never did make sense to *target* broad money, because it tends to grow more quickly when you raise interest rates; but now that the Treasury has stopped worrying about silly ways of managing the statistics, it may start worrying about the underlying causes of broad money growth — lending which is not just excesive, but often silly.

In fact Treasury officials have been doing a good deal of worrying already; their inquiries after the JMB collapse have left them quite wide-eyed with horror. So if you are worried about financial disasters and/or renewed inflation, don't watch the money figures, watch the supervisors, the new appointments by the Bank of England, and the new Banking Act. Not all those who are worried are fogeys, thank goodness.

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Elders' opening shot falls far short of Allied's bow

THE FORMAL declaration of war between Allied-Lyons and Elders IXL — a spectacular £1.8bn bid from the Australians—should have been a momentous event. The previous UK record for a bid was BAT's purchase of Eagle Star for just under £1bn.

John Elliott, Elders' chairman, tried to inject a sense of occasion by breaking into quotations from one of Churchill's stirring war-time speeches but he has already said weeks ago that he intended to bid 250p a share so an actual offer of 255p made little difference to the market's perception of the approach.

Indeed, although the offensive has begun, an air of phoney war still hangs over the proceedings. Elders' offer stands no chance of success and is presumably a sighting shot in order to satisfy the Takeover Panel which had set a time limit for Elders to act: to keep things moving while the search continues for potential buyers of Allied's food business and finally to test the reaction of the Office of Fair Trading.

The absence of the mooted consortium bid is perhaps not that surprising. Such combines can become unwieldy in a fight and anyway the spread of Allied's food interests may have made it impossible to find a single company keen to acquire it in entirety. Certainly the basic premise that the food business will be sold off if Elders is successful has not changed.

The Australian company did however manage to create some confusion with its tactics. Instead of making a bid in its own name, backed by an enormous sum of money borrowed from international bankers, the attack has been directed through a new company, IXL, the ownership of which was at first unknown. Later it emerged that Elders, its banking backers and a couple of friendly parties control IXL. This move keeps the mountain of debt off Elders' balance sheet although it does have an option to acquire the whole of IXL. It may be just a technical manoeuvre but it managed to make Elders look oddly devious.

Anyway, the current offer is patently too low. Assuming Allied makes £230m pre-tax in the year to next February with, say, an extra £20m of property profits thrown in for good measure, a price of 255p gives an exit multiple of 10½. No wonder the City's analysts are talking of at least 300p before Elders has a fighting chance.

The bid might not get that far, however. The attitude of the Office of Fair Trading cannot be judged as easily as earnings multiples and the City can only guess at whether the bid will be referred. On competition grounds there is no justification for reference—if Guinness can buy Bell, then why not Elders for Allied? Yet intervention may be prompted by concern over the future of Allied's large workforce if the group is to be dismembered after a takeover.

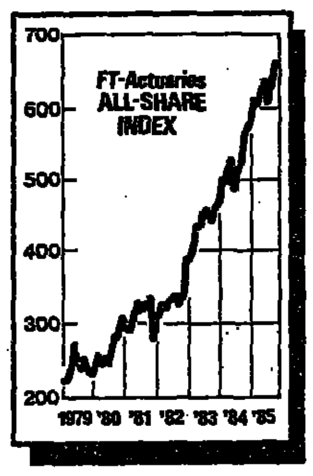
A more obvious candidate for a Monopolies' reference is BET's £110m equity bid for SGB which neatly left C. H.

London

Beazer's partial tender offer looking every bit the wallflower. BET has jumped in with a three for four share swap equal to over 250p a share compared to Beazer's price of 215p. Yet it is a move that could give BET, with its Access subsidiary, holding well over 20 per cent of the market for scaffolding.

If the bid can slip pass the OFT then BET has a very attractive proposition on its hands. Access and SGB together could generate more profit simply by cost cutting. But the bid has to be successful first and BET may have to add to its price before it can count on control.

It seems unlikely that Beazer will come back with an outright bid to top BET. The future of SGB therefore turns on the ability of its management to



fight off a bid worth almost £1 a share more than the market price before Beazer made its move.

On past record it is easy to say that SGB's directors might as well pack up and go home now. But even before the predators arrived on the scene, some in the City were reappraising their view of the scaffolding group and taking the line that many of its problems had been successfully tackled. If the defence can put its name to a forecast of £16½m this year then the exit p/e on BET's terms drops to under 11.

That would suggest BET needs to sweeten its terms. The bid may not have to be raised far to win over SGB's long suffering investors but if £16½m is right then the downside to the price is limited. Shareholders should sit tight a while.

Apart from bid activity the week provided little in the way of fresh news to sway the equity market. Despite the strong flourish to the end of the previous week prices drifted during Monday and Tuesday. Having been badly wrong footed by ICI's half time figures in the summer the City was gritting its teeth for another dismal showing on Thursday from the third quarter and that was depressing the market as a whole.

Yet late on Tuesday buyers started creeping into the market and the following day there was a surge of buying which took all three major indices, the FT 30, FT-SE and the All Share, to new highs. The last time the three of them broke into new ground on the same day was January and technical analysis at least suggests such a feature should herald a show of strength.

The sluggish end to the week cannot be blamed on ICI. The actual results turned out to be every bit as poor as the market had feared, perhaps worse, but after an early drop on Thursday morning ICI managed to rally and close a few pence higher on the day. Though a degree of resilience was perhaps called for — the shares have underperformed the market by a fifth over the last twelve months.

Pre-tax ICI's third quarter came out at £182m, some £66m below the comparable period and £86m short of the previous three months. For the nine months as a whole the group is running 8 per cent below last year with a profit of £717m. Sterling again played its part in undermining the performance, taking around £20m to £25m out of the pre-tax line, though overall ICI is less jumpy about the trend of exchange rates than it was in the summer now that the pound is a little weaker against the D-mark.

It was largely weak demand for chemicals during the summer which pulled profits down. The usual seasonal weakness was aggravated by very poor sales of fertilisers as the farmers held off in the face of poor weather. Even with the farmers now busy in their fields throwing fertiliser left, right and centre, ICI's full year profit is likely to come out £100m or more below last year's £1,034m. Some estimates are down to £900m.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1985 High	1985 Low	
F.T. Ordinary Index	1,050.8	−0.1	1,051.6	911.0	Tests new high ground
F.T. Gold Mines Index	257.1	−25.4	536.9	250.2	Weak Financial Rand
Abbey Life	216	−24	250	216	Disappointing interim results
Anglo American Corp.	700	−100	£11¾	700	Weak Financial Rand
BP	563	+15	587	473	Restructuring of credit-lines
Brook Street Bureau	178	+16	182	80	Agreed bid from Blue Arrow
Freemans	338	+22	340	162	Brokers' favourable circulars
Hendersons Group	212	−31	308	218	Interim figures due shortly
Invent Energy	385	+50	385	100	First-quarter figs./share split
Jaguar	307	+13	363	237	Moves towards NASDAQ listing
Lonrho	159	+ 8	190	147	Gulf Fisheries stake sale rumours
Lucas Inds.	433	−10	443	246	Profit-taking after recent rise
Pyke Hldgs.	385	+37	385	276	Agreed bid from Hillsdown
Renison	285	+15	310	232	Encouraging drilling report
SGB	266	+36	270	134	Bid from BET
SI Group	19	−14	47	19	Depressing annual results
Smith Bros.	168	+11	168	92	Gartmore acquires 5% stake
United Biscuits	197	+ 8	217	163	Revived bid speculation
Wingate Property Invs.	130	+25	140	105	Agreed merger with Trafford Park
Wolseley-Hughes	464	+44	467	295	Good preliminary figures

Novel plan to restore Connection

THE 25 per cent fall in profits reported this week by French Connection, the widely-watched wholesaler and retailer of fashionable clothing, was in line with forecasts but nevertheless disappointing.

Stephen Marks, the group's energetic chairman, was in Los Angeles when the results came out. He had some revealing remarks to make about his plans for restoring profits growth—in particular, the introduction of a revolutionary concept to the High Street.

French Connection arouses interest among USM investors for two main reasons: first, its market capitalisation of nearly £40m makes it one of the biggest companies on the market; and, second, the nature of its products gives it a high public profile. For entertainment, it has seldom disappointed observers.

First, the publicity surrounding its flotation in November 1983 saw the issue oversubscribed 12 times, yet the shares — unusually for the USM — opened at a discount to the 123p offer price.

The following spring, however, the shares soared as French Connection announced that it had taken a 50 per cent stake in Best Of All Clothing, its U.S. distributor. The market was savouring the prospect of a trebling of profits, but it was in for a disappointment: a downturn on both sides of the Atlantic saw profits of £7.5m last April against the £10m that had been anticipated, and the shares slumped from their peak of 395p to 280p.

Since then, the UK and European activities have made good progress but poor consumer demand in the U.S. has continued. This week's figures showed a fall in profits from £3.8m to £2.9m. The shares are now about 235p.

The U.S. side of the business is clearly French Connection's biggest problem. It was not surprising that Marks went to Los Angeles to investigate the situation. "The problem is that there is such an oversupply of merchandise and it is very much a buyer's market," he said. "We're still in October and already the winter sales have started."

However, Marks intends to continue French Connection's expansion in the U.S. This week, he supervised the opening in Los Angeles of a new showroom for wholesalers. "It's a tough market but we feel we have the situation under control. If you have the right thing at the right time you can still do business here, and next financial year the results will certainly look much better."

USM

UNLISTED SECURITIES MARKET

Elsewhere, the group has been adding to the core fashion wholesaling activities. The acquisition of Bukta last June has given it an avenue into sportswear for which it sees big potential. The factory in Tyne and Wear acquired last year has given the group a manufacturing capability. Much of the factory's output is contract manufacturing for other companies, but Marks says that if it can produce goods for French Connection more cheaply than existing sources, it will get the job.

The factory also gives French Connection security against any disruption of supplies. "But it's not going to be spoon-fed," Mark says. "It's got to stand on its own two feet, like every other part of the group."

The most intriguing aspect of French Connection's plans relates to its policy of moving further into retailing. Marks says he plans to open retail outlets at the rate of four to six a year, but this rate would clearly have soared if one of his more ambitious plans had come to fruition.

Marks was in serious negotiations with Raybeck in September for the purchase of the group's loss-making chain of 104 shops trading under the Lord John and Werff names, but he was pipped at the post by J. Hepworth & Sons, the Next fashion store group, which paid £11.5m for the chain.

Marks says his bankers had agreed to loan £10m to buy the chain and use it to introduce a novel retailing concept, the like of which we have not seen before. He was reluctant to go into detail for fear of giving too much away, but said enigmatically: "Just imagine if someone came along and opened a Marks & Spencer for young people: what do you think would happen? I should think those shops would do pretty well."

Marks says the sums being paid for High Street outlets are staggering and is unlikely to make his move until he sees something at the right price. It is clear that whatever else French Connection may be, it is determined never to be boring.

Richard Tomkins

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND DEALS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Abbey	88½§§	102	90	17.35	French Kier
Allied-Lyons	255*	267	275	17.24bn	Elder IXL
Arlington Motor	234*	225	167††	10.50	Unigate
Baltic	287½	277	260	32.95	A/S Nevi
Capital TV	60½§ §§	60	50††	6.05	Crown Intl Prods
Brook St Bureau	185	178	162	19.13	Blue Arrow
Cass Group	131	125	180	7.66	Telephone Rentals
Dufay Bitumastic	52½	56	47	8.63	Kalon Group
Fleet Hldgs	375†	368	345	253.20	Utd Newspapers
Friedlnd Doggart¶	320*	315	215	16.64	MK Electric
Insight Group	164§	162	138	12.32	Hawley Group
Maynards	403	395	335	19.73	Ward White
Noble & Lund¶	30*	49½	29	1.71	Galgey Tech Inds
Owen Owen	438§ §§	495	415	41.94	Clayform Props
Pearce (C. H.)	704§§	700	725	26.57	Crest Nicholson
Philips Patents¶	57§	69	54	2.31	Bremner
Pyke (Hldgs)	396	385	348	15.36	Hillsdown Hldgs
Security Centres¶	133§	146	100	21.17	Automated Security
SGB Group	251	266	226	106.32	BET
Somportex	28½*§	127	27	0.79	Messrs N. Wray & C. Mattock
Spear & Jackson	240	244	168	13.50	Neill (James)
Sparrow (G. W.)	67	79	48	6.62	BET
Stewart Plastics	143	141	113	32.51	Bunzl
Telefusion	50§§	46	34	24.40	Electronic Rents
Towngrade Secs	32½*§	33	37	1.67	Milbank Dev
Walker & Homer	22	20	16½	2.94	Hillsdown
Wingate Prp Inv	136	130	105	18.75	Trafford Pk Ests

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on October 25 1985. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ‖‖ Loan stock. ‡‡ Suspended.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Goodman Bros	Apr	529L	(63)	—	(0.5)	—	(—)
Highland Dist	Aug	9,510	(8,270)	5.2	(5.2)	1.98	(1.76)
High-pt Serv	May	909	(717)	16.8	(17.3)	4.0	(1.5)
Jayplant	May	50	(36)	1.4	(1.3)	—	(—)
Klark-Teknik	July	1,400	(701)	5.5	(2.8)	0.6	(—)
Manganese Bronze	July	2,020	(1,450)	8.8	(7.1)	3.0	(2.5)
Nairn, Stewart	June	933	(788)L	0.6	(—)	—	(—)
Pressac	July	1,130	(1,340)	7.2	(11.9)	2.2	(2.2)
Prestwick Hldgs	July	1,830	(1,120)	8.0	(5.7)	0.7	(—)
Scot Met Prop	Aug	6,730	(6,770)	4.4	(4.1)	4.0	(3.75)
SI Group	June	29L	(1,500)	—	(5.0)	—	(—)
Stothert & Pitt	June	440L	(908)	—	(33.9)	—	(—)
Wolseley-Hughes	July	31,490	(25,950)	—	(—)	11.0	(8.75)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Allebone & Sons	July	218L	(258)	0.25	(0.25)
Anchor Chems	June	290	(762)	1.25	(1.25)
Anglo Indon Corp	June	1,440	(1,950)	2.5	(2.0)
Assam-Dooars	June	389	(145)	—	(—)
Barlow	June	14	(—)	—	(—)
Beauford Group	June	336	(248)	1.75	(1.5)
Benlox Hldgs	June	67L	(93)L	0.5	(0.5)
Bestwood	June	121	(10)L	—	(—)
British & Comm.	June	44,160	(30,240)	2.2	(1.8)
Bromsgrove Ind	Sept	183	(840)	0.4	(0.3)
Chesterfield Prop	June	3,660	(3,060)	4.5	(4.0)
C'prehensive Fin	June	97	(139)	0.7	(—)
Davies & Newman	June	3,580L	(2,970)L	3.0	(2.73)
Etam	Sept	4,380	(3,100)	1.15	(0.9)
Forward Tech Ind	June	122	(128)	—	(—)
French Connect'n	July	2,570	(3,840)	1.15	(1.75)
Harris Queensway	June	14,000	(12,020)	1.4	(1.25)
Henara	June	609	(519)	0.7	(0.7)
Hunting Ass Ind	June	2,930	(2,290)	3.5	(3.0)
IBL	June	1,080	(400)	0.4	(—)
Lee Cooper	June	4,980	(5,270)	1.4	(1.4)
Lilley F. J. C.	July	4,680	(4,460)	1.26	(1.2)
London & Nthn.	June	7,940	(7,471)	2.1	(1.85)
Markheath Sec	June	360L	(458)L	—	(—)
Marlborough Prop	June	311	(314)	0.23	(0.2)
McKechnie Bros	July	16,380	(14,490)	8.0	(7.25)
Metal Sciences	Aug	259L	(269)L	—	(—)
Milletts Leisure	July	804L	(546)L	1.0	(2.95)
More O'Ferrall	June	760	(1,210)	1.0	(1.0)
Morris W.	June	192	(346)	—	(—)
Norscot Hotels	July	234	(—)	1.2	(—)
Pavion	Aug	1,730	(226)	—	(—)
Rea Hldgs	June	142	(753)	1.0	(1.0)
Runciman W.	June	650	(376)L	2.5	(2.5)
Scottish Ice Rink	March	77	(32)	—	(—)
Silentnight Hldgs	Aug	820L	(1,100)	—	(—)
Tranwood Group	July	49	(54)	—	(—)
Walker J. O.	June	86L	(138)	1.0	(1.5)
Western-Dooars	June	233	(55)	—	(—)
Wettern Bros	June	28	(52)	—	(—)

(Figures in parentheses are for the corresponding period)

* Dividends are shown net pence per share except where otherwise indicated. L Loss.

SCRIP ISSUE

Wolseley-Hughes—One for four.

RIGHTS ISSUES

International Inv. Trust of Jersey—To raise £1.67m through a rights issue, on the basis of 12 con. 13 per cent redeemable pref. shares and one warrant at £12 for every 10 ord. shares held.

Metal Sciences—One for five rights issue of 4.34m new ord. shares at 2½p a share.

OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Ealing Electro Optics—USM offer for sale 5.75m shares at 95p.

Metsec—USM placing 3.8m shares at 67p.

Peachey Prop.—Raising £20m through a placing of £20m 10.75 per cent first mortgage deb. stock 2015 at £98.433.

Underwoods—Offer for sale by tender 6.8m shares at min. price of 115p.

M&S set for £130m in half-year

MARKS AND SPENCER is the heavyweight among the most buoyant group of shares on the market this year so far—the stores—and looks set to produce pre-tax profits of £130m for the six months to September on Tuesday. This would be almost a one sixth increase over the £113.4m at the halfway in 1984.

Holding back profits will be the cool summer which has led to some stock markdowns, some summer clothes could only be got rid of in end of season "silly sales," costing £15m this time. Also the charge card will, having gone national in the Spring, be costing as much as £10m in its first year of operation. The success of the card has had its own drawbacks and required some crash management attention to prevent the flow of returned goods for cash causing great problems.

Next week's figures are expected to show whether the battle between M & S and the high street specialists in the under 35 womens clothing market is still being won by the opposition. The Spring collection went quite well but the summer was a bit of a dud.

The food side is continuing to grow well, even if on its much expanded base it is unable to maintain recent expansion rates. The homeware area is rising rapidly but its smaller footprint on the group's range of activities gives it less impact on the overall trend.

Optimistic expectations for

Results due next week

the Autumn/Winter ranges are likely to come in the statement with the interim results. Lord Rayner, chairman since July 1984, may also take the opportunity to explain further the considerable change in approach taking place at M & S while no doubt asserting that *the basic philosophy remains the same.*

The pace of change is being maintained at **REED INTERNATIONAL** although the full benefits will not be seen until next year. Nevertheless, the City is looking for £50m from the interims due on Wednesday, which compares with £45.2m last year.

In the last 18 months, Reed has garnered £250m from the sale of Mirror Group Newspapers, Sanderson furnishing fabrics, the building products division (the deal on which was completed this week for £61m) and four other businesses.

Over the same period Reed has spent £100m mainly on publishing interests, with a strong U.S. emphasis. The most recent of these was the £65m paid for R. R. Bowker, the New York publisher of "Books in Print" and "Publishers Weekly."

In March, Mr Leslie Carpenter, previously group chief executive and a career publisher, moved up to the chairmanship, bringing to an end the decade-long rule of Sir Alex Jarratt—a period associated with the emphasis on paper.

The interims should also give an indication of the likely tax position for the year. The charge is expected to drop below last year's 40 per cent

LORD RAYNER

level which depressed earnings in spite of the record profits. **BRITISH CAR AUCTION GROUP**, which reports on its year to July on Tuesday, produced disappointing figures at the interim stage largely because of setbacks in the U.S., but the indications are that the second half will have seen something of an improvement.

The market for used cars in the U.S. has been much more buoyant than in the first half and British Car Auction's big marketing push aimed at the fleet business is thought to have paid off. There were also some substantial integration costs in the first half which should have been rather lower in the second.

Profits from the UK auctions business rose from £1.75m to £2m in the first half and this rate of progress is thought to have been maintained. The new Preston auction site has probably done particularly well and Paddock Wood should have made further improvements after its slow start.

Among the associates, Attwoods increased pre-tax profits from £1.7m to £5m in the year to July, of which British Car Auction's share is about 40 per cent; and Group Lotus is also showing strong progress.

Overall, then, around £10.3m looks in prospect against £9.3m last time.

About half a dozen major contracts won by **FLIGHT REFUELLING** recently are now entering the production stage, and should help push interim profits, released on Wednesday, up from £4.8m to about £5-7m. The most important of these

MR LES CARPENTER

will be the JP233 airfield denial system for the MoD.

Although interim results are not broken down the contribution from the Hymatic, acquired two years ago, is likely to be up by about 25 per cent. A strong rise can also be expected from the new aviation division, which provides airfield services for the MoD.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDEND				
Allied London Properties	Monday	0.22	1.48	0.242
Bailey, C. H.	Thursday	—	—	—
Berry Trust	Friday	—	1.0	—
British Car Auction	Tuesday	1.1	1.8	1.25
Frogmore Estates	Tuesday	1.607	4.543	1.768
GBC Capital	Tuesday†	—	0.013	—
Low, Wm	Wednesday	2 9	7.1	4 0
Martonair International	Thursday	2 0	7.5	2 2
Murray Electronics	Wednesday	—	0.15	—
New Australia Investment Trust	Tuesday	—	0 4	—
Samuel Properties	Monday	1.5	4.0	1.6
Simpson, S.	Thursday	1.5	3.25	1 5
Smart, J. and Co (Contractors)	Thursday	1.1	2.85	—
Town Centre Securities	Friday	—	0.9	0.4
INTERIM DIVIDEND				
Airflow Streamlines	Thursday	0.25	0.75	
Burgess Products	Friday	0 5	—	
Capital and Counties	Tuesday	1.6	3.7	
Clarke, Clement	Tuesday	1 445	2 8875	
Coates Brothers	Thursday	1.4	3.2	
Datasorv	Thursday†	0.006	0.0115	
Edmond Holdings	Thursday	0.33	—	
Ellis and Goldstein	Thursday	0.68	1.16	
El Oro Mining and Exploration	Tuesday	3 5	4.2	
English and International Trust	Tuesday	1.0	2.5	
Exploration Company	Tuesday	1.75	2 1	
Feedex Agricultural Industries	Wednesday	—	0.5	
Flight Refuelling	Wednesday	1.1	2 025	
Gee, Cecil	Thursday	—	4.0	
Glanfield Lawrence	Tuesday	—	—	
Globe Investment Trust	Wednesday	3 75	6 15	
Goldsmiths Group	Monday	2.0	5.5	
Gresham House	Thursday	1.4	3.0	
Henderson Group	Wednesday	2 25	3 75	
Hunting Group	Thursday	2 0	4 0	
Lawrie Group	Thursday	30.0	35.0	
Lep Group	Thursday	1.25	3.25	
Marks and Spencer	Tuesday	1.08	2 32	
NEC Corporation	Tuesday‡	3.63636	4 5	
New Throgmorton Trust (1983)	Wednesday	1 0	1.7	
Northern Securities Trust	Wednesday	0 67	1.4	
Portsmouth & Sunderland Newspapers	Thursday	0 93	2 97	
Reed International	Wednesday	5 75	12.75	
Renwick Group	Monday	—	(—)	
Richardson Westgarth	Monday	—	—	
Rush and Tompkins	Monday	2 0	5 65	
Star Computers Group	Friday	—	2 6	
Top Value Industries	Monday	—	—	
TR City of London Trust	Wednesday	0.775	0.775	
United Computer and Technology Hldgs	Wednesday	0.71	1.5	
Usher-Walker	Monday	2 0	4 8	
Viking Resources Trust	Monday	0 5	0.65	
Welpac	Monday	—	0 3	

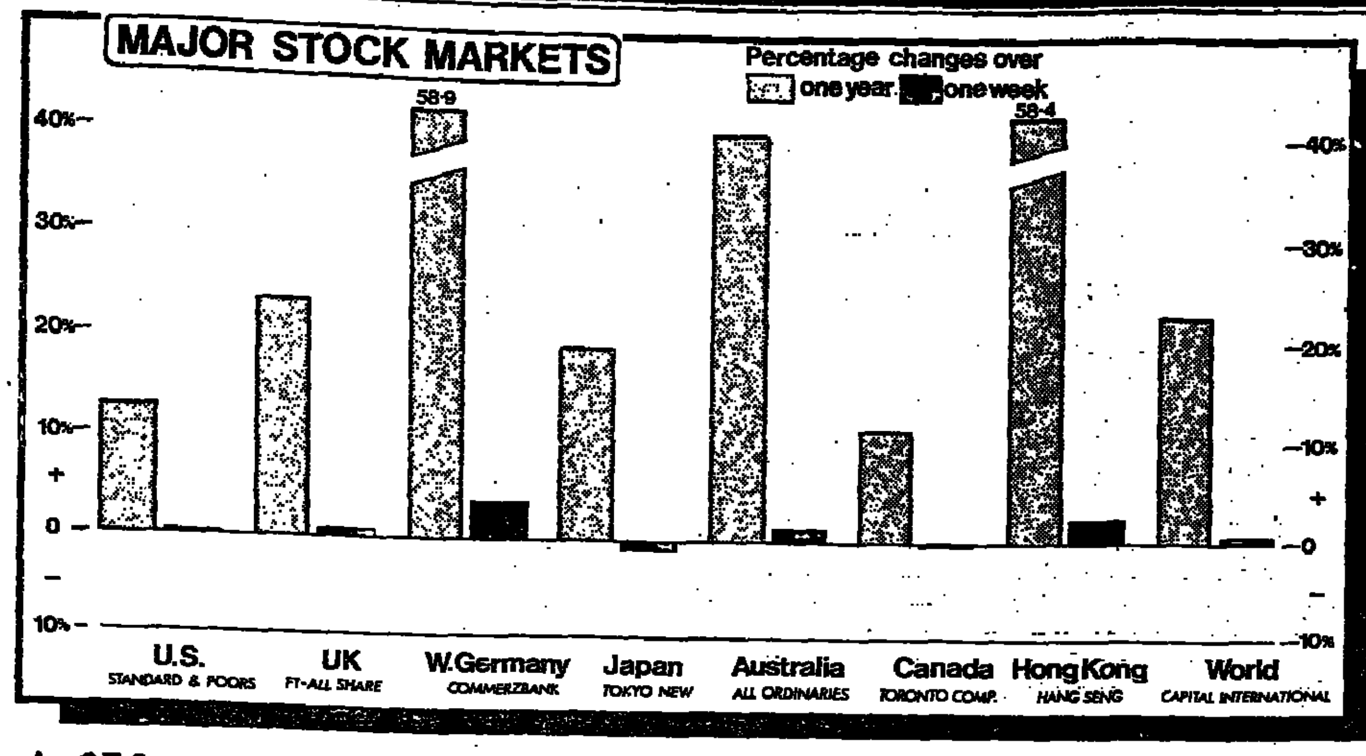
* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Dollars per share. ‡ Yen per share.

INTEREST RATES: WHAT YOU GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 30%	45%	60%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	5.75	5.83	4.58	3.33	half yearly	1	—	0-7
High interest cheque	8.25	8.51	6.69	4.86	quarterly	1	2,500 minimum	0
3-month term	7.81	8.04	6.32	4.59	quarterly	1	2,500-25,000	90
BUILDING SOCIETY†								
Ordinary share	7.00	7.12	5.60	4.07	half yearly	1	1-250,000	0
High interest access	8.75	8.75	6.88	5.00	yearly	1	500 minimum	0
90 day	9.50	9.73	7.64	5.56	half yearly	1	500 minimum	90
Premium	9.40	9.74	7.65	5.56	quarterly	1	10,000 minimum	90
NATIONAL SAVINGS								
Investment account	11.50	8.05	6.33	4.60	yearly	2	5-50,000	30
Income bonds	12.00	8.88	6.97	5.07	monthly	2	2,000-50,000	90
31st issue‡	7.85	7.85	7.85	7.85	not applicable	3	25-5,000	8
Yearly plan	8.19	8.19	8.19	8.19	not applicable	3	20-200/month	14
General extension	8.52	8.52	8.52	8.52	yearly	3	—	8
MONEY MARKET ACCOUNTS								
Money Market Trust	8.63	8.82	6.93	5.04	half yearly	1	3,500 minimum	0
Schroder Wagg	8.33	8.65	6.80	4.94	monthly	1	2,500 minimum	0
Provincial Trust	8.78	9.14	7.18	5.22	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS§								
7.75% Treasury 1985-88	10.55	7.75	6.37	5.00	half yearly	4	—	0
10% Treasury 1990	10.77	7.60	6.03	4.47	half yearly	4	—	0
10.25% Exchequer 1995	10.86	7.49	5.83	4.18	half yearly	4	—	0
3% Treasury 1987	8.57	7.40	6.83	6.25	half yearly	4	—	0
3% Treasury 1989	8.46	7.44	6.94	6.43	half yearly	4	—	0
Index-linked 1988¶	9.11	8.46	7.93	7.81	half yearly	2/4	—	0

* Lloyd's Bank. † Halifax. ‡ Held for five years. § Source: Phillips and Drew. ¶ Assumes 5 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

• MARKETS •



Ailing rand makes shares suffer

A HIGGLEDY-piggledy week, this. Plenty of news for mining shareholders but it has been a bit mixed, as our friend the mole would say. Still, while Moley is scampering about on one of his mysterious subterraneas journeys, the least I can do is to bring you up to date.

South African gold shares have been having a bad time. The weaknes of the country's rand (which, ironically, boosts the price in that currency which the mines receive in exchange for their gold sales made in dollars) has resulted in sterling share prices falling to 38-month lows.

Things would be even worse but for the fact that South African investors are not allowed to move their funds out of the country and have been "buying back the farm" with cheap money. Many others who have received all, or most, of the capital back in dividends seem reluctant to sell at this stage.

But selling there is—mostly from Europe and the U.S.—and there are few investors outside South Africa prepared to take the risk of buying gold shares; dividend yields of around 12 per cent on average are not sufficient to return capital invested quickly enough under the present circumstances.

The world is still prepared to buy South Africa's gold—unlike the country's Krugerrands—and the great mines press on. Gencor's Winkelhaak has announced a R259m (£70.4m) six-year programme to sink a one-mile-deep shaft which will open up the eastern area of the property.

Outside South Africa, the search for gold continues apace. Good news from Canada's Placer Development, and Australia's Renison Goldfields Consolidated and MIM Holdings, has been the discovery of further rich ore reserves at their Porgera prospect in Papua New Guinea.

They have announced the finding of a high grade section of deposit which contains 1.7m tonnes of ore grading a high average of 40 grammes (nearly one and one-third ounces) gold per tonne of ore; anything over 10g is considered very good these days, depending on mining conditions.

This is part of the area known as zone VII where total reserves amount to 15m tonnes grading 6g gold. The nearby Waruwari deposit holds 59m tonnes grading 3.55g gold, which might not be economic to mine on its own but could be sweetened with ore from zone VII.

Porgera has yet to be given the go-ahead but, in the meantime, an important contributor to Renison's profits is the group's splendid tin mine of the same name in Tasmania. Because of sales restrictions designed to bolster the oversupplied tin market, it has been operating at only 60 per cent of capacity.

The price of tin has been supported by the International Tin Council, whose buffer stock manager has been buying metal in order to keep the price above a floor level equivalent to about £8,500 a tonne. This week, the manager ran out of funds and the price plummeted to £8,140. Dealings then were suspended in the London and Kuala Lumpur markets.

What happens next depends on the outcome of next Tuesday's International Tin Council meeting. As far as the Geevor mine in Cornwall is concerned, the impact of the situation has been softened by the company's forward sales policy. Some 88 per cent of the present year's output has been sold forward at a price of £9,600 per tonne.

Rio Tinto-Zinc has built up its Cornish tin interests in recent years, but income from tin is very small in relation to the group's other interests. The metal provided only 0.5 per cent of last year's pre-tax profits and 1.2 per cent of those at the net attributable level.

Mining

Incidentally, RTZ has other UK thoughts in mind. The group has just been granted permission to carry out mineral exploration in the Ise of Man. It is hoping the island contains coal deposits; if so, these may be mined without the restrictions that apply to private coal mining on the mainland.

Moving on to another company in the big league, we come to Minerals and Resources Corporation (Minorco), the Bermuda-registered international investment arm of South Africa's Anglo American Corporation-De Beers partnership. This week's annual report says, encouragingly, that Minorco has cash in hand of some $400m (£280m) at June 30.

Julian Ogilvie Thompson, the chairman points out that while a portion of this money may be invested in the present year, interest generated from the rest will make a significant contribution to income. He expects earnings from operations to be "materially higher" than the disappointing $45m reported for 1984-85.

Being Minorco, there has to be a sting in the ail, it seems. Because of the sale of part of the holding in the Phibro-Salomon banking and commodity broking group, which brought in over $400m, the latter no longer is equity accounted in Minorco's earnings.

This means that income from share of profits of associated companies will be much lower in the present year although, as the chairman points out, this is largely a book-keeping figure; such earnings do now flow through to Minorco.

The investment in Phibro-Salomon never did produce much income for Minorco, but the sale of part of the holding gave a nice capital gain. Minorco still has a stake or some 14 per cent in the company, which is Minorco's largest single asset (equivalent to 40 per cent of the total and worth more than $900m). This does not alter the fact that Minorco still lacks real earnings power.

● As forecast, Australia's Pancontinental Mining is to exercise its option to buy the other 50 per cent of the rich Lady Loretta zinc-lead-silver deposit in Queensland for A$10.5m (£5.2m) from Elf Aquitaine Triako Mines. The other 50 per cent was bought for the same bargain price from a reluctant MIM Holdings, which needed the money. Tony Grey's Pancontinental Mining is a rising star onto which, it seems, wagons might be safely hitched.

Kenneth Marston

War of nerves

WHILE other rich men collect racehoreses and French Impressionists, Robert Holmes á Court, Australia's wealthiest individual, collects racehorses and Australian works of art—atmospheric landscapes, scenes from the Outback, and Aboriginal bark paintings.

The distinction sounds a fine one, but is not. On the contrary, it speaks volumes about the individuality and flair (plus sheer good taste) of a man who combines old-world courtesy with what is probably the best analytical mind in Australian business.

His approach is always multifaceted, as was demonstrated this week when he unveiled yet another ornate manoeuvre in his war of nerves with Broken Hill Proprietary (BHP), Australia's largest company.

Holmes á Court revealed that he was creating virtually a new market in BHP shares in that Bell Resources, an offshoot of his master company, Bell Group, is to issue about 30m options over BHP shares that it holds.

The options, costing 50 cents each, will be exercisable at a price of A$9 by July 15 next year, yielding an immediate A$15m (£7.5m) for Bell Resources plus an estimated profit of up to A$2 a share if the options are exercised.

All up, the Bell empire has an interest in about 114m BHP shares—about 11 per cent of the Big Australian's capital—including an option on 70m shares held by another Aussie share raider, Adelaide Steamship (Adsteam).

Is BHP worried? Not particularly. In its aloof Melbourne accent, it said that Holmes á Court could do what he liked "with his own property," adding that BHP's concern was to see that its own shareholders were not disadvantaged.

There seems little risk of that, for the result of the Lone Ranger's prodigious dealing in BHP shares and options has been to jolly-up BHP's management and buttress its share price, now around A$9 against a 1985 low of A$4.85.

Sydney

What is good for BHP is usually good for the market, which helps explain the continued euphoria Down Under. The Australian All-Ordinaries index gained further ground this week to a record 1,046, with many brokers and fund managers expecting further solid gains to at least the 1,100 level.

Since September 19, when the Government unveiled numerous tax changes, the All-Ords has gained 11 per cent, the All-Industrials index 10 per cent, and the All-Resources 12 per cent. "We're in a very bullish environment," said one broker, perceptively, adding that there were three big reasons for the market's ebullience.

First, a recent spate of takeovers has put large sums of cash in investors' hands. The two biggest takeovers—Bond Corporation's A$1.2bn acquisition of brewer Castlemaine Toohey; and G. J. Coles's A$1.1bn acquisition of retail rival Myer Emporium—were mainly for cash, meaning that there is no lack of buyers, institutional or private.

Second, the Government's tax package last month introduced a modest and non-retrospective capital gains tax that is encouraging numerous small investors to hold on grimly to any shares bought before September 19. The Government also abolished double-taxing of dividends.

Third, profits are booming, at least in most sectors, with sharebroker Bain and Co calculating that in 1984-85 Australian corporate earnings per share rose by 18 per cent.

This was a point pounced-on with relish by Prime Minister Bob Hawke in an interview in Canberra recently when I put it to him that Australia's employer groups, plus the farmers, were making increasingly rude noises about the viability of his pay accord with the unions.

Eyebrows twitching theatrically, Hawke snorted that the employers' groups were talking "absolute bloody nonsense." He added that Australia was moving into its third year of 5 per cent non-farm gdp growth, that it had the highest rate of employment growth in the world, and that this had been achieved with significantly reduced rates of inflation.

"The overwhelming majority of employers welcome the fact that, under the accord, they've had a restoration of the profit level to record highs from the disastrous 12 per cent share of gdp which occurred before," he said. "The opportunities for manufacturing industry now are better than they've been for a decade."

By and large, the markets are still enamoured of Hawke and his Government. At present, the only sound in Australia is the counting of money.

Michael Thompson-Noel

Health worries

"OVER the past several weeks, we've seen the kind of market action that suggests to us that it's time for investors to be putting cash reserves back into the stock market.... We believe that looking back eight months from now, today's prices are going to look very attractive. It's a good time to be establishing new or additional positions in a lot of stocks or groups."—**Prudential-Bache Securities.**

"Stocks have come a long way in the past few years. We believe that the bull market is coming to an end..... In our view, the fundamental case for investing in stocks is not compelling at these levels: the reasons to buy are reflected in the returns already achieved."—**Salomon Brothers.**

These commentaries from two of the leading U.S. securities houses underline the divergence of opinion on equities at a time when blue chip stocks are continuing to trade at near-record highs. Prudential-Bache argues the optimistic case on the grounds that interest rates ought to stay where they are or move lower, while the amount of cash available to be put into equities via the mutual funds will soon begin to rise. It also believes that takeover activity will continue at a substantial premium to the market.

Salomon's view is that the underlying economic forces controlling the market have heightened the risks in holding equities. The weakness of a dollar, while it may be advantageous for individual companies exposed to foreign competition, is negative because the currency is going down for the wrong reasons, it says. There has been no improvement in either the U.S. budget or the U.S. trade deficit, and the dollar's decline is "fostering expectations of a pickup in inflation."

Wall Street

In addition, Salomon believes that debt levels are excessive in both the corporate and consumer sectors, and that the "frenzied" takeover activity on Wall Street is an unhealthy sign of speculative excess.

The Salomon case expresses the increasing unease felt by some economists over the health of the U.S. economy. This sentiment has not been so evident in the highly visible sector of the stock market, where the Dow Jones Industrial Average has risen by around 7.5 per cent since the beginning of April.

But in the broader market, influenced far less by takeover activity, the anxieties have been demonstrated by a much slower rate of advance — the Standard and Poor's 500 index, for example, has gone up by somewhat less than 4 per cent in the same period.

At the beginning of this week, some analysts began to talk optimistically about a change in this picture as the secondary stocks put on a spurt, suggesting that a more broadly-based advance might be in prospect. Stocks were being helped, they argued, by the fact that the tide of third-quarter earnings reports was being safely negotiated without serious upset.

Investors were now looking out towards a steady performance by the corporate sector next year, when stock prices should also be stimulated by the reduction in equity supply through takeovers and buy-ins.

Even the sharp fall in General Motors' share price, which dropped about 5 per cent in four days to hit its 52-week low on Thursday at $65⅜, did not undermine the broader market too much. The earnings figures that precipitated the fall were affected by so many special factors—GM's aggressive sales incentive drive this year, and the strike in the same quarter of 1984—that it was difficult to draw any general conclusion from them; and the rise in computer stocks following the better-than-expected figures from Digital Equipment, the second largest company in the sector, easily offset the impact of GM.

Despite these overall signs of strength in the market, however, the factors that are causing anxiety over at Salomon remain unresolved, with total confusion on the debt problem in Washington and, not least, continuing takeover frenzy. This week, both ITT and Union Carbide have floated back into the sights of the takeover speculators, raising the possibility of yet more megadeals—ITT is worth $5bn at its present share price and Union Carbide now trading at $60 a share, or almost double the price to which it fell after the Bhopal disaster, is valued at $4.2bn.

The one big deal that surfaced during the week came as a complete surprise, when the management of Macy's department store group launched a $3.6bn buyout of the company.

MONDAY	1364.14	−4.70
TUESDAY	1364.36	+0.22
WEDNESDAY	1367.16	+2.80
THURSDAY	1362.34	−4.82

Terry Dodsworth

• FINANCE & THE FAMILY •

IN THE NEWS

Memo-pay for Britoil shares

INVESTORS in Britoil may still be smarting over the tiny allocations of shares they received. Tiny or not, they should not forget to pay the second instalment of 85p per share—failure to do so by November 1 could mean losing the shares, and not getting any money back.

The shares are still showing a healthy gain on the 100p first payment. If you want to hold on to your shares, you should send your cheque for 85p a share to the bank named on your renounceable letter of acceptance to arrive by November 1.

For most people—97 per cent of those who applied for shares—this means a cheque for £85. Some investors may have received 150 shares.

Lazard Brothers, the merchant bankers who were responsible for the Britoil issue, said that previous experience with share issues paid for in instalments showed that the great majority of investors paid up promptly on the second call.

Top performer

More than £100m from investors has been attracted to the single-premium Performance Bond, launched by Scottish Equitable in September. Investors had a choice of 11 funds to select from ranging from low to high-risk, but most of them (nearly 70 per cent) plumped for the Mixed Fund that invests in the other funds. Since September 1 it has shown an increase of 5.4 per cent on the offer price. Star performers, however, so far has been the Japanese fund with a rise of 11.2 per cent, Pacific 9.5 and European 7.6 per cent. Mr David Berridge, general manager of Scottish Equitable, said the amount of money received for the bond had exceeded expectations. Having established this platform the group was planning to expand its product range, including the launch of a regular savings scheme early next year.

Flexible income plan

A SCHEME combining a five-year temporary annuity with a unit trust income portfolio has been launched by Flexible Investment Planning, Manchester-based investment brokers.

Called the High Monthly Income and Growth Portfolio, the scheme claims to alleviate the problem of the low starting income usually generated by investing solely in unit trusts. Under the scheme a proportion of the total portfolio—30 per cent is suggested—is put into a five-year annuity with Sun Alliance providing a guaranteed fixed monthly income payment, subject to tax only on the small interest content.

The remaining 70 per cent of the portfolio is invested in six unit trusts paying half-yearly dividends in different months of the year. As a result investors will receive two monthly payments, one from the unit trust side and one from the annuity.

The idea is that the depletion in the annuity capital should be compensated for by the growth in capital value of the unit trusts.

Flexible Investment Planning admit that individual investors could make identical arrangements themselves but they claim that the costs would be much the same since only the normal unit trust charges are involved and free service is thrown in. Details from Flexible Investment Planning, 436 Flixton Road, Urmston, Manchester (061-748 1554). Midshires Building Society has decided to pay the same interest on all its instant access accounts with balances below £10,000. They now yield 9.25 per cent net annually, or 9.46 per cent if the half year interest is reinvested. The minimum opening balance is only £100, but investors with less than £500 have to give seven days' notice of withdrawal to avoid losing interest. For instant access deposits of more than £10,000 Midshires offers 9.50 per cent net interest, 9.73 per cent compound rate.

Executive pensions with choice

VANBRUGH PENSIONS, a member of the Prudential Group, has launched a small self-administered scheme for executives and controlling directors to go alongside its existing Executive Pension Policy.

Directors and executives have a choice over their pension arrangements. Either they take out a contract with a life company, or they set up their own self-administered scheme for the purpose.

The self-administered route enables the companuy to horrow back from the pension scheme on commercial terms up to limits specified by the Inland Revenue. The pension scheme can also invest in company assets and shares as well as enable directors to decide on their own investment policy that suits them.

An executive self administered scheme, like its company pension counterpart, requires an actuary to calculate the contribution rate and undertake periodic valuations of the financial state of the fund. In addition, those do-it-yourself executive schemes have to have a pensioner trustee, approved by the Inland Revenue, on the board of trustees.

Vanbrugh can call on its own and the resources of Prudential Insurance to provide financial, actuarial and the pensioner trustee services. If the executives want to invest part of the funds with an institution rather than invest it themselves then the whole range of Vanbrugh exempt pension funds are available.

Next week, there will be an article comparing small self-administered pension schemes with normal creative pension policy contracts.

Looking over the rainbow

A MANAGED investment portfolio, based on four life funds available under Eagle Star's Rainbow single-premium bond offer, has been launched by Brighton investment adviser R. J. Temple. Called the Ideal Portfolio, it is claimed to provide a cheaper method of investing in the funds. Temple says it has negotiated exclusive immediate bonus allocation of units until November 23.

Where the initial investment in the portfolio is over £5,000 you will get additional allocations of units every three years. You will normally also be able to save 2 per cent in dealing costs.

Details from R. J. Temple, 37 Grand Parade, Brighton.

Moneylink to break up

MONEYLINK, which teamed the Bristol and West Building Society with Standard Chartered Bank, is breaking up. The account offered an automatic facility to sweep money between a B & W interest-paying account and a current account at Standard Chartered.

Moneylink account holders need take no action, but their money will eventually be switched into another Bristol account—probably the Blue Card cash machine account. The society sees little future for the cheque book, and expects people to use mainly credit cards and cash in years to come. Free banking for Moneylink accountholders at Standard Chartered will money between a B & W of 1986.

Target Japan

TARGET is teaming up with a Japanese stockbroker, New Japan Securities to launch a new fund, which is claimed to be the first to be offered simultaneously to investors in Japan and the UK.

The Target International Growth Fund will be incorporated in Luxembourg, with investment management by the London merchant bank Morgan Grenfell. Additional investment advice will come from New Japan's investment management division.

Name change

PROLIFIC Unit Trusts is changing the name and aims of its Gilt Capital fund from November 1. The fund will aim for income of around 7 per cent from investing in convertibles and gilts.

Prolific felt that the old fund could no longer fulfil its purpose of producing capital growth by investing in gilts after tax changes introduced this year by the Chancellor to prevent bond-washing.

In its new form the fund is likely to have around 75 per cent of its portfolio in convertibles, including convertible preference shares. This should give it the prospect of capital growth, says Prolific's Andrew Cherniavsky, since convertibles will tend to rise like ordinary shares when the stock market is rising, but should be prevented from falling as fast by their fixed interest cushion.

Gilts

Market divide

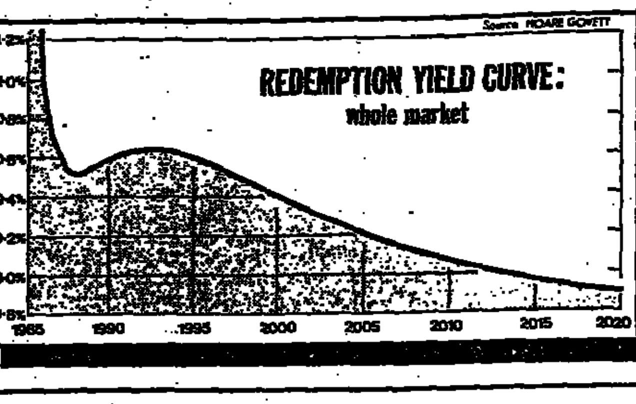
IT IS NOT too surprising that the Chancellor's Mansion House speech 10 days ago was initially greeted as an appetising piece of gingerbread for the gilt edged market. His admission that the Government was no longer planning to sell more gilts than were needed to fund its borrowing needs was perhaps overdue, but it is usually comforting to a market to have its convictions officially confirmed — particularly when those convictions already have the bullish implication that there is to be a smaller flow of new stock.

Attractive from one perspective, in its suggestion that less funding pressure can allow long yields to fall, the speech caused rather more modified rapture at the shorter end of the market; a cautionary indication that the authorities require stability in short-term rates leaves little room for an immediate fall in clearing bank tariffs.

These two parts of the speech are mirrored in the unusual shape of the gilt edged yield curve. Although there are government stocks at all maturities, to regard all gilts as a single market is more than ever a mistake; the kink in the curve shows precisely where the market divides in two. At the short end, gilt edged behave just like other money market instruments. Accordingly, the steep downward slope at the extreme left of the chart merely shows that lower money market rates are discounted — but are not being made available for the moment.

Indeed, the probability is that further success in curbing the dollar, and a falling recorded inflation rate will make it possible for short interest rates — effectively controlled by the authorities — to be brought down, by stages, to around 10 per cent. But unless there is a sudden upward jump in the sterling exchange rate against the D-mark, worsening the competitive relationship with the UK's main trading partner, there may not be much movement in base rates this autumn.

On the other side of the kink, there begins the gilt-edged market proper, where stock is on balance held by institutions trying to match their liabilities rather than by banks and companies finding somewhere to park short-term surplus liquidity. If the end of overfunding implies that the authorities are to stop supplying liquidity to the money market—accomplished by using the proceeds of gilt sales to buy commercial bills—it suggests that the Government's current desire for stable, if high, short rates may be achieved by keeping the money market on a tight rein. But at least the reduced rate of funding, bringing down the supply of gilts by as much as £4bn a year on some estimates, ought to have a correspondingly benign influence on the level of gilt yields proper.



Assuming that all the inflation forecasts are on the right track, and real yields are not driven up by some unforeseen crisis, there should be room for the whole curve to shift downward as inflation drops towards 4 per cent by the middle of next year. In that event, the most attractive combination of responsiveness to general changes in yields and present relative cheapness may be found between 15 and 20 years down the slope.

On neither side of the kink is the present structure of yields entirely normal or stable. A downward slope at the short end makes life very uncomfortable, which is to say unprofitable, for operators in the money markets. But while there are no doubt pickings to be had from an investment at longer maturities—the chances of capital gain over the next few months arguably outweigh the small drop in yields compared with building society deposits—it would be rash to bank on the long yield curve reverting in a hurry to its conventional upward slope.

Jeremy Stone

Traded options

Spreads too narrow

INVESTORS make two common complaints about stock exchange trade options: that they are too complicated and that the bid/offer spreads are too wide.

Overcoming the first is largely a matter of how you look at it. Although some trading strategies are complicated, most investors usually find quite enough excitment in the simple approach.

This requires the investor to have a view of the market or share and then buy a call option if he expects prices to rise, or a put option if he expects prices to fall. Advice on how to turn such a view into more precise action is obtainable from brokers' options.

The second problem is more difficult to overcome. The bid/offer spread, or "jobber's turn," is the difference between the price a jobber will quote to buy and the one he quotes to sell. Stock prices are quoted the same way.

The stock exchange provides jobbers with guidelines for traded option spreads. They are not enforceable, and brokers and investors sometimes are critical that these often are exceeded.

Where the option series is higher than the current price, the exchange suggests a 2p spread for a premium up to 10p; 3p for a 10-20p premium; 4p for 20-40p and 6p for 40-80p. For the most forward month, these spreads may be doubled.

Actual spreads for a recently active option — Commercial Union — were 19-24p for the 240 series January calls. This piece of market shorthand means the jobber is offering to sell for 24p per share the right (the option) for an investor to buy Commercial Union shares at 240p any time between now and the end of January. The price of the share when this offer was made was 248p.

Since most traded options are dealt in blocks of 1,000, this makes the call option contract worth £240 (1,000 multiplied by the premium of 24p).

A jobber quoting the other side of that deal, where he was being asked to buy back that right, bid a premium of 19p, or £190 per contract. With no underlying price movement, therefore, the investor could lose 20 per cent of his initial investment, before commissions, on the jobber's turn.

Earlier in October, when CU was quoted at 230p and looking firm, that same option was quoted at 7-10p. Whereas the underlying stock price rose by almost 20p, or 10 per cent, the call option contract went from £100 to £190, up 90 per cent in three weeks.

Such volatility more than offsets the wide spreads, but it is not always evident. Thirty-two stocks are quoted in the traded option pitch, including Thorn EMI which joined on October 24. Many of these move slowly or in narrow price bands. Option stocks such as BP, Courtaulds and Hanson are virtually unchanged since early this year, while others have moved little.

It does not matter, incidentally, whether prices fall or rise. Put and call contracts allow the option trader to profit from moves in both directions.

Flat prices and wide spreads deter option buyers. Brokers contend that narrower spreads would attract more business, since more option contracts would become profitable on the basis of small movements in underlying prices.

Jobbers disagree, saying wide spreads are the result of thin business and not the cause. They quote the example of British Telecom options which, when that market was active earlier this year, were being quoted with bid-offer spreads less than half the exchange guidelines.

The argument is fading, however, with the broker/jober distinction ending next year, the market is expecting the natural competition from many more market-makers to improve price efficiencies and produce narrower spreads.

In addition, the wider market-making activity that more firms will undertake in stocks is also expected to lead to more demand for the protective aspect of traded options. This increased activity in traded options, with the prospect of much narrower bid-offer spreads, can only benefit private investors who use this sector.

John H. Parry

Property

The perils of purchasing

BUYING PROPERTY can be very similar to buying a second hand car from a private individual. Although there are certain checks you can make, there are no guarantees as to quality. A solicitor can ensure that the property is legally suitable for your purpose, but its physical suitability is your responsibility.

In the case of leasehold flats, there is an implied undertaking that the provisions of the lease, regarding maintenance and decoration, have been adhered to. In legal terms, however, you buy a property "as seen" and it is therefore up to you to have it thoroughly checked.

It is not a good idea to rely on your building society's valuation. It may not be thorough enough and is likely to exclude liability to anyone but the building society. Do not attempt to buy a survey on the property from another prospective purchaser. Estate agents sometimes recommend this as they want to hasten a sale, but all surveys exclude liability to any third party.

As you will be relying heavily on the surveyor's report, make sure you choose one carefully. A personal recommendation may be best. Most surveyors belong either to the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers, and you could check on their experience.

Members of the Royal Institution of Chartered Surveyors with 10 years' exepreince may be fellows of the Society, with the initials F.R.I.C.S. after their name. A local surveyor is always preferable as he or she is likely to be familiar with the properties in the area. Most importantly perhaps, make sure that your surveyor has indemnity insurance as a claim against him or her could be your last resort if you buy a property and are then unhappy with the condition it is in.

The RICS does not require compulsory indemnity insurance for its members, although it will do so from January 1st. RICS points out, however, that most of its members are insured. The Incorporated Society of Valuers and Auctioneers does require insurance, with minimum cover of £100,000, which rises to £250,000 in the case of a partnership involving more than one person. According to the ISVA, claims against surveyors have been rising as a result of a more litigation-conscious public.

You should give your surveyor as much guidance as possible, telling him or her anything which is causing you concern. The RICS has a leaflet that points out the areas you should look at when having a property surveyed. If you are in doubt about the wiring, plumbing or central heating, you can ask for specialist reports, although this will cost more.

Remember that surveyors cover themselves by qualifying their observations. They can only report on those aspects to which they have reasonable access. If you are concerned about the roof, for example, make sure your surveyors have access to it.

You can have free timber and damp reports done on a property before you buy it. It is wise to use only large and reputable firms which are unlikely to go into liquidation. Although guarantees given to a previous owner are often assignable (as long as their time period has not lapsed), they are not worth a great deal if the firm no longer exists.

An estate agent's particulars are not legally binding. Remember too, that he or she is working for the seller, not the purchaser. Representations from the seller — that the central heating is in working order, for example — may be enforceable, if you can get them. If you have been intentionally and fraudulently misled, it is a criminal offence.

However, it may cost you a great deal of money to file a claim, and you may not win.

Dina Thomson

Assessing values

Eric Short describes a scheme to solve the problems of underinsurance

HOUSEHOLDERS who want to insure their house and possessions must first find how much it will cost to rebuild the property and to replace its contents. Together these figures make up the sum insured on the home insurance policy.

Both calculations can be problematical. To calculate the rebuilding cost, the house-owner has to measure the external area — far more complicated in practice than it appears on paper.

To assess what it would cost to replace possessions will require an inventory and several visits to the shops to find current prices.

Most homeowners guess the value and completely underestimate the total worth, without stopping to consider the consequences.

The sum insured in house insurance contracts is based on householders' estimates which sometimes are too low. If there is a claim the insurance company will not pay more than the sum insured. In a total claim, for instance after a house burns down, this inadvertent underinsurance could result in a settlement which is less than the amount needed to rebuild the house.

Beyond exhorting the householder and warning him of the dangers of underinsurance, insurance companies have done little to help avoid such a catastrophe.

Instead it has been left to the building societies to seek to solve the problem with block combined buildings and contents insurance policies. This week the Yorkshire Building Society launched its Masterkey policy which virtually solves the problem of underinsurance while avoiding the problems of a complete valuation.

Masterkey has no specified sum insured for the buildings or the contents. Any claim made under the contract is paid out in full by the underwriters, a consortium of leading companies — General Accident, Commercial Union, Royal, Legal and General and Eagle Star.

Normally specifying a sum insured fulfils two functions — it provides a limit on the claim payment and the base for deciding the premium to be paid.

Under Masterkey, the base for calculating the premium is the reinstatement (or rebuilding) cost of the house. Every valuation report by the building society's valuers contains the reinstatement value, and every borrower has a copy of this report. So no hassle here.

While premium rates for buildings are constant, rates for contents depend very much on location. In London and other urban areas, for example, they are several times more than in rural areas.

Masterkey has four rating areas — the highest is London, followed by Glasgow, Liverpool and Manchester, big cities such as Birmingham, and finally the other areas.

Premiums under Masterkey are paid monthly and are added to the borrower's other monthly payments to the society. The premium is calculated by multiplying the appropriate rate by the reinstatement cost. Premiums are index-linked in line with house rebuilding costs, so the housebuilder remains fully insured.

A householder in London, for instance, buying a property with a reinstatement value of £60,000 would pay £27 a month for his insurance under Masterkey. If you had contents worth £15,000 the costs of making individual insurance provision would be £30.95 a month, according to figures provided by Yorkshire Building Society.

However, this reduced premium arises mainly from the savings in administration, rather than any different view of the risk by the underwriters.

Why has Yorkshire Building Society been able to achieve this breakthrough, when insurers have refused to offer such contracts on an individual basis. The main argument is that with a block policy, the insurers have avoided attracting an unduly high proportion of house owners with a high contents value. However, the insurers have taken the precaution of putting a limit of £100,000 on the reinstatement value for Masterkey.

Anyone with a more valuable house, has to negotiate a separate contract which will have limits to the sum insured.

Under block contracts, the young householder, who has had time to accumlate many possesions is likely to be over-insured, while the mature householder is possibly getting his contents insured cheaply. In effect the young householder will be paying more than he needs for his cover and subsidising the older householder.

The next development in block contracts could be some refinement based on the householder's age.

The policy is only available to the society's borrowers. The problem is to establish a realistic reinstatement value on a house that is not being professionally valued at the time the insurance policy is agreed.

Krugerrands

Proposed ban no cause for panic

DO NOT panic. That is the message to Krugerrand gold coin holders alarmed by the proposed ban on imports by the UK and other Commonwealth governments.

Unless you have political reasons for disposing of Krugerrands, there is no investment motive for rushing out to sell. The ban has yet to be implemented, and in any event, there will be no restriction on future buying or selling of the coins within Britain.

No one is certain exactly how many Kruggerrands are held in the UK, but there are certainly more than enough to ensure adequate dealings in a secondary market.

Three per cent of British households are thought to possess Krugerrands

A survey in 1984 by Mintel, the research organisation, estimated that 3 per cent of all households in Britain held Krugerrands. This figure rose to 8 per cent if confined to households with savings of over £10,000. One private trade estimate put the number of Krugers in the UK at around 3m. but this is very much a guess.

Most coins are held as a long-term investment or against a rainy day. It is true that since the move in the U.S. to ban imports of Krugers earlier this year, the premium of the one-ounce coin over the price of gold bullion has shrunk from the normal level of just over 3 per cent designed to cover the cost of minting and marketing.

This week, the premium was down to between 1 and 2 per cent (about $3 to $6 an ounce at current levels) after renewed fears that there would be a rush to sell the coins and a glut on the market. By contrast, the rival Canadian Mapleleaf coin has managed to retain its premium over the gold price of around 3 per cent ($9). This may be partly because it has a higher gold purity content.

The worst that could happen is for the premium of the Krugerrand to be completely eliminated and replaced by a discount. But the maximum discount would be around $1 an ounce, the amount needed to melt the coin into gold bullion.

According to Alan Baker of London bullion brokers Sharps Pixley, the expected sale of Krugerrands has failed to materialise and the premium is likely to recover if the experience in the U.S. is anything to go by.

Indeed in the longer term, it is quite possible that the Krugerrand premium over the bullion price may rise.

It is a question of supply and demand. When the import of Krugerrand coins was banned by the Labour Government between 1974 and 1979, to stop people circumventing the exchange control regulations, Krugerrand coins in Britain moved to an artificially high premium compared with the rest of the world. This was due to a shortage created by the restriction on new supplies at a time of rising demand.

At present, there is very little demand for gold in any form as an investment, at least in the Western world. The British market for gold coins has been "dead" ever since the imposition of Value Added Tax on coin transactions in 1982.

The legal way of avoiding VAT by buying coins i na tax haven like the Channel Islands, and holding them them, has not proved very popular. Buyers of gold coins generally prefer to possess a tangible object which can easily and discreetly be bought or sold, as opposed to a piece of paper.

Another way round VAT is for dealers to act as middlemen in matching up buyers with private sellers, who have no liability to charge VAT. However this can be difficult, time-consuming and expensive. Many dealers say that the effort involved is not worth the commission. It is done, but only by a limited number of dealers.

Since 1982, VAT and the depressed state ofthe gold market has put many small dealers out of business. The bullion brokers in London tend to deal in bigger size lots, with a minimum lot of 10 ounce coins. Nevertheless there are still plenty of outlets for buying and selling coins, notably through the branches of most High Street banks and specialist coin dealers.

However, there is a case for switching to the Noble platinum coin. This week the price of platinum finally moved to a substantial premium over gold as had been predicted for some time.

John Edwards

• FINANCE & THE FAMILY •

Unit trusts

Extended rehabilitation

WITH MEMORIES of the 1980-81 recession fading fast, and the rehabilitation of many manufacturing companies now long complete, it is perhaps surprising that "recovery" unit trusts, which invest in shares out of favour with the market, still feature among the industry's top performers.

Their *pace of growth* has slackened since 1983-84 when *they reaped the benefits of a* resuscitation of profits by their *recession-hit holdings*. But over the year to October (see table) they still managed to beat the 14.7 per cent return averaged by all UK growth trusts. And their efforts so far in 1985 stand out alongside a 5 per cent increase in the FT Ordinary Share Index.

Managers of these funds agree that four years of steady economic growth in the UK has not necessarily made their jobs *any easier. As Framlington's* Anthony Milford puts it: "The supply of recovery situations is dwindling and many of our earlier investments have moved out of the recuperation phase into growth and expansion."

How then are they coping so well? Luckily, "recovery" is a *loose* enough term to give the managers plenty of scope in *stock selection. Cyclical com*panies, with earnings depressed by general economic conditions or troubles in their particular sector, are not the only option (though electronics and insurance candidates are in bountiful supply).

There are also plenty of companies in deep trouble through their own mismanagement. *More commonly, recovery trusts* tend to include shares whose earnings position is still buoyant and yet have disappointed the market and been down-rated. Often the share price may not even *have fallen*, but only underperformed the *rest of the sector*.

There is a perverse logic in *buying the market's least loved* stocks. Some companies that have fallen from grace have an awkward habit of staying down. But frequently investors overdo the gloom about their prospects and anyone brave enough to swim against the tide can make handsome profits when the share price *rebounds*.

Even the most sickly stocks *can be nursed back to health* by rationalisation measures, so long as the balance sheet is not too overburdened with debt. Sometimes these companies are the subject of takeover bids just as they are returning to profitability (and after the costs of re-organisation have been shouldered), *giving faithful investors* some spectacular one-off gains.

M and G's £154m Recovery Trust, adopts perhaps the purest approach to investing in recovery stocks. Its "hands on" policy of mending generally heavy loss-making companies involves participating in refinancings (rights issues by Chloride Group and, more recently, Associated British Engineering are examples) and taking significant stakes to give it a position of influence over management.

One competitor describes the fund, run by David Tucker, as "almost a merchant bank." Size is an important advantage here. *Smaller funds would find such* major positions too risky, and *the M&G trust has a sufficient* inflow of new investors to meet new situations or financings without needing to sell other assets.

Rehabilitation of "patients" can take three to five years, so the fund is not aggressively managed. But solid long-term profits (for example, its 10 per cent stake in Evered) have pushed M&G's performance above other recovery trusts *over the past three years*.

"The policy has been to go *for* companies with underutilised assets," M&G said. "Then it is a question of selling off the bad bits and making the rest work." The fund has enough holdings to let those with growth prospects run, rather than taking profits when the recovery stage is over.

Smaller trusts need the flexibility of *easily* tradeable shares. Allied Dunbar Recovery keeps *20 per* cent in large capitalisation issues which it can buy and sell actively, picking what it sees as "innocents" caught up in a sector downturn (electricals, however, have been mostly avoided so far). The remainder is in companies with a poor, though still basically sound, earnings record (Vickers, Grattan and Cookson Group). "It is a risk averse strategy," *says* manager Kirsty Macmaster.

The £5m Henderson Recovery fund, one of the duller members in its group, *also holds* about 25 per cent of its portfolio in *blue chips which the managers* consider "temporarily oversold." Unfortunately, some of these, notably STC, Grand Met and several oil shares, have depressed the fund. And a run of redemptions by unitholders in the first half of 1985 called for the liquidation of a number of other *holdings*. Simon Toynbee admits: "It has been a *bit of a struggle*." But, like his rivals, he calls for "patience" when dealing with recovery investments.

Most of the funds listed below are concentrated in the UK market, though Framlington, Kleinwort Benson, County Bank and Perpetual have considerable overseas exposure — lately currency factors have outweighed the advantage these funds have in a wider spread of investments.

Martin Winn

	Fund size £m	Result of £1,000* held for 5 yrs.	3 yrs.	1 yr.	Change since Jan. 1† %
Allied Dunbar Recov.	27.6	2,481	1,932	1,188	14.8
Barclays Unic. Recov.	22.3	2,437	1,885	1,110	10.8
Britannia Recov.	10.6	2,221	2,227	1,278	19.0
Brown Shipley Recov.	1.3	1,452	1,931	1,049	7.4
County Bank Recov.	4.1	—	1,771	1,045	1.3
Framlington Recov.	23.1	—	2,020	1,133	8.0
Gartmore UK Sm Cos./Recov.	6.4	—	1,830	1,318	13.2
Henderson Recov.	4.8	1,697	1,892	1,018	−3.9
KB International Recov.	1.7	—	—	1,179	11.6
Lloyds Bank Sm. Cos./Recov.	10.4	3,044	2,270	1,231	16.8
Mercury Recovery	18.6	—	2,401	1,241	15.7
M & G Recovery	153.7	2,365	2,249	1,246	21.2
Perpetual Group World Recov.	24.0	—	1,899	1,119	6.4
Quadrant Recovery	1.4	2,077	2,028	1,091	7.3
Temple Bar Recov.	0.3	2,261	2,188	1,360	37.5

* Offer to bid, net income reinvested. † Offer to offer, no income. Figures to October 1.

Source: Money Management

Managed funds

Back to Cornfeld—with care

MEMORIES of Bernie Cornfeld, whose Investors Overseas Services empire collapsed *in 1970*, are still fresh at the Department *of Trade and Industry*, which decides whether a unit trust can be *sold to the public*. The department has, therefore, been very cautious when confronted with proposals for a "fund of funds," the investment idea on which Cornfeld made his reputation.

It is allowing several unit trust groups to produce these (which will be rechristened portfolio managed funds) but *is insisting* on a number of safeguards for investors. Some of *these are that:*

● A fund can invest only in *the group's own unit trusts*.

● Only one managed fund *per group will be tolerated*, unless the managers can make out *an exceptionally strong* case for more. So it will be difficult for a group to launch one managed fund for growth, another for income, and a third for income and growth combined.

● Not more than half the managed fund can be invested in any one unit trust, and the *group must* have at *least four* trusts from which to choose. Four is not a very high figure to set—most groups would need at least six to have much investment flexibility.

● If a front end fee is levied on the managed fund, no initial charges can be made on the underlying funds. You might, however, be made to pay twice for the annual management fees.

● The managed fund can buy only units newly created by the trustees; when it sells units back, they must be liquidated. This is to stop the managed fund from being used to protect the *underlying unit trusts*, against the interests of its investors. Normally, managers keep their own stock of units, known as the box, and make additional profits by dealing in these.

The disadvantage to this is that the trustees' unit prices are fixed by law, and are (in almost all cases) much further apart than the prices at which the ordinary investor can buy and sell. Thus, the managed fund might end up paying more for units when it buys and receiving less when *it* sells.

The end result is a product that many unit trust groups believe will sell like hot cakes, while *others* regard *it* with horror, saying that a general *international unit trust* is better value for the investor.

Among the first of the new generation of funds is the Bar*rington* Planned Investment Fund, managed by London stockbroker Grieveson Grant. Grieveson has a large number of private clients, many of whom invest some or all of their money in its existing range of eight Barrington unit trusts.

Graham Mann, a Barrington director, says the new fund should offer a cautious and low risk introduction to stock market investment for the small saver. For that reason, he is concentrating on the fund's regular savings plan, which starts at £20 a month. "The performance may be a bit bland," he says, "but that is what we are aiming at."

The Barrington fund goes one better than the *DTI* rules require: it has no annual management fee, *relying on the annual* fees of the underlying funds. At the moment these are 0.5 per cent a year, lower than most unit trust groups, but Grieveson expects to raise them to 0.75 per cent next year.

The initial charge will be 5 per cent, not the unusually low *1.5 per cent Grieveson charges* for investors going directly into *its specialist unit trusts*. Only 1.25 per cent commission will be paid to brokers, not the additional "marketing allowance" permitted under Unit Trust Association rules.

Also due to be launched today is the Abbey MasterTrust. Like Griveson, Abbey will not be making a second annual management charge. The highest *annual fee* on its *underlying* trusts is 0.75 per cent. Abbey *has no savings plan* at the moment, but the MasterTrust is expected to form the basis of a regular savings plan to be introduced shortly.

Other groups with managed funds on the slipway include Save and Prosper, Britannia, and Henderson.

Managed funds are not welcomed universally by unit trust executives. "It is a marketing ploy," said Dick Eats, of GT. "It is more expensive, with a limited choice for the investor and a potential conflict of interest."

George Graham

Owning a racehorse

Hedging bets to join equine set

FOR THOSE who may have suffered terrifying experiences astride some long-legged hack, perhaps while accompanying a young and competent daughter putting a pony through its paces, there is a great deal to be said for owning a racehorse. At least you don't have to ride it.

Other compensations include an interesting extension to your social life, plus the excitement of seeing your colours trying desperately to make up 15 lengths with only a furlong left.

But before you rush to join the [illegible] it should be noted that [illegible] concern with [illegible] return on your [illegible] could be as chancy as investing in a hole in the ground in Australia that someone has told you might be a gold mine.

For one thing, the bulk of the prize money circulates within five to 10 per cent of the racing fraternity — and even at that level it takes a lot of winnings to cover the costs of a major racing stable, where most of these winners are found. Of course, winnings are not the only benefits derived from racing. Millions a year are made in stud fees but, here again, top class animals tend to be in the hands of the few.

If, however, you intent to go ahead, the first point to consider is the cost. The Racehorse Owners' Association of Portman Square, London, estimates that the minimum for owning a horse is between £7,000 and £8,000 a year. This includes such basic as training and entrance fees, plus some transport to racetracks. If, however, the horse proves a good one and shows promise, its activities could at least double this figure.

How to find the horse. Apart from a private purchase, there are several ways of doing this — through a trainer or bloodstock agent, at public auction, or as part of a syndicate. There also are "selling" or "claiming" races where the winner is sold afterwards and the others can be "claimed" at a published price.

For the beginner, the odds would seem to favour finding a trainer to do the buying (some will have horses in their own stable which they may offer). It is in his best interest to find you the best one within your budget; after all, he has got to look after the thing. While you can buy a horse for a few hundred pounds, a few thousand would be nearer the mark for a well-bred animal with some chance of winning races. The best will cost hundreds of thousands of pounds or more.

The racing industry tends to be sensibly archaic as far as money is concerned. The guinea still rules; and if you pay 10,000 guineas at auction, in real money you would have to fork out £12,729. This inflation (including a guinea being worth £1.05p) is due to VAT plus a five per cent commission on the sale price you are normally required to pay to those buying on your behalf.

First, though, you must decide if you want a horse for the Flat or for the more rugged over-the sticks National Hunt racing. Geldings are used extensively for the latter; their emasculation is said to give them additional stamina but they will not be much use to an owner with an eye to eventual stud fees.

If you do decide to become a owner, you will be registered with the all-powerful Jockey Club, which controls and disciplines the British racing scene. As an individual, your annual registration fee will be £14 a year; but additional payments on your behalf will include race entry fees, jockey's licence, registration of colours, and the like. Your trainer will handle most of these items and charge you accordingly.

To run a racehorse in unregistered colours is just one of many offences against which the owner must guard. But the Jockey Club provides a special form to help you in selecting your equine livery.

If you are lucky enough to have a horse that wins money, the gain is totally tax free and helps offset expenses. But for those who find individual ownership too much of a burden, the Jockey Club approves partnerships for a maximum of four people, all of whom must be registered owners. It is also possible to establish a syndicate with up to 12 members, between three, and four of whom must be registered owners.

At their discretion, the stewards of the Jockey Club also will be prepared to register approved clubs as racehorse owners. More recently, the Jockey Club has extended the rules of racing to include horses owned by companies

This is a good idea as far as an advertising and promotional exercise is concerned. But be warned: the Inspector of Taxes has to be satisfied that the expenses incurred with the horse "are wholly, necessarily and exclusively" for the purpose of business. He will also cast an unfriendly eye, for instance, on companies that "do not have a consumer orientated product or service and, therefore, have no obvious need for national exposure before the general public at large."

Individual or company, once you have your horse safely in a trainer's hands, do not let pessimism rule the day altogether. In the 1984 flat season, a two-year-old colt called Provideo — which cost its owner £2,500 — won a total of 16 races, and more than £44,000 in prize money.

That is a long way from the £245,000 given this year to the winner of Europe's richest race, the French Prix de l'arc de Triomph — but then, anyone entering the racing scene at any level needs all the encouragement possible.

Ian Dunning

Interest building

FROM April 6 next year, building societies will be able to pay interest gross to non-resident investors and holders of Eurobonds. This ends the unequal treatment of banks and building societies under the composite rate tax arrangement. It marks the first phase in the Government's plan to up-date legislation defining the activities of building societies.

Although societies will have lost a year to the banks, who have been able to pay interest gross to non-residents since April 6 this year, they are confident that they will be able to attract non-resident investors by offering a higher interest rate than the banks. Many non-residents have maintained accounts at building societies in spite of the tax disadvantages. They will certainly change to the gross interest accounts.

One problem will be contacting non-resident account holders. There is no way of knowing whether an investor is resident or non-resident, particularly as many use an address in Britain.

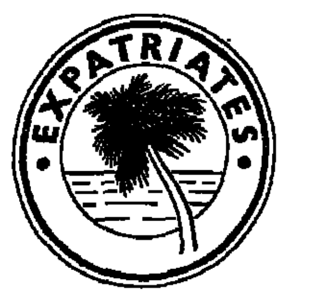
Because there has been no separation of resident and non-resident deposits, the building societies can only guess the effect of the new legislation on their income. A conservative estimate of £50m is given as the amount coming into UK building societies from overseas. Mark Boleat, deputy secretary general of the Building Societies Association, believes it is more.

It is difficult to judge how far building societies will push this change. Some societies may be content to reclassify funds they already hold. Others may decide that non-resident accounts are worth acquiring and open branches on the Channel Islands. They will certainly want to make the most of Eurobond issues for non-residents.

Non-resident investors will have to inform the building society of their status and sign a declaration to receive interest gross.

In the past two years, the building societies have been among the most insistent petitioners for change in the financial sector. While banks and other financial institutions have been offering a greater range of services, building societies have been limited to housing finance. They have managed to extend their services to business incidental to house purchase, such as insurance of mortgaged properties and life assurance policies linked to mortgages. They have also introduced chequebook accounts and automated teller machines.

Progress in these and other services associated with property purchase, like estate agency, conveyancing, collecting rent, now awaits the new legislation. The societies are particularly keen to acquire the power to make unsecured loans. This means they would be able to offer overdraft facilities and cheque guarantee cards. It may also mean that they could make



loans for purposes other than house purchase, or for the purchase of property overseas. At present, these can only be made using UK property as collateral.

In the Government's green paper, the provision of unsecured loans is limited to 5 per cent of the total assets of societies. The paper also suggests giving the societies power to guarantee certain forms of payment, which should cover the introduction of overdraft and cheque card facilities.

The unsecured lending power could also be used to underwrite payments to third parties. But this business, as well as the ownership of land for development and the rented section of shared ownership accommodation, would be included in the 5 per cent limit. Only societies with free reserves in excess of £3 million would be able to make unsecured loans.

It will not be clear until the end of the year how far the Government will release the building societies. Changes will not be effective until the end of 1986 or early 1987 except for non-residents, for whom UK building societies will soon be an attractive, low-risk investment.

Amanda Seidl

International funds

On dollar downswing

AMERICAN funds have not been the best of choices for UK investors over the past year. How does the picture look for U.S. investors?

Not too rosy, to judge by a survey of U.S. and non-U.S. funds carried out by Lipper Analytical Securities, the New York investment house. Lipper found that, in the past 12 months, funds managed for Americans substantially underperformed those run for overseas investors.

"We suspect that a large part of the superiority of overseas funds over domestic funds is due to the rise of foreign currencies versus the dollar," says Michael Lipper, the group's president. "Over the 12 months, the average gain in yen, Deutsche Marks, sterling and Swiss and French francs was 14.53 per cent."

Only in two investment sectors—option income, and science and technology—did U.S. funds outperform overseas ones.

Over the longer term, however, the position is dramatically reversed. In the past five years, the dollar rose by 30 per cent against other currencies, and U.S.-managed funds also outperformed their non-U.S. rivals in many sectors.

Lipper suggests this might reflect not just the strength of the dollar but also a tendency by U.S.-based managers to take more risk in their investment portfolios. "The better performance produced by the overseas funds in the latest year could signify a change where more conservative strategies work better than the more aggressive ones," he says.

However, most of the top-performing funds over the past year were denominated in a single currency which rose dramatically against the dollar, or else made the right currency choices in their investments.

A European orientation also helped and United Bank of Switzerland took first, third and eighth places in the rankings with funds investing in, respectively, Italy, Germany and Switzerland. Swiss Bank Corporation and Credit Suisse also featured in the top 10 with Swiss-invested funds.

Over the five-year period, however, it is Japanese and futures funds that have performed best, with GT Japan Small Companies at the head of the field and Jardine Fleming scoring with three funds in the top ten.

George Graham

PERFORMANCE OF U.S. AND NON-U.S. FUNDS*

Investment aim	One year % Non-U.S.	One year % U.S.	Five year % Non-U.S.	Five year % U.S.
Capital appreciation	+17.8	+ 7.8	+50.41	+73.8
Growth	+19.6	+11.3	+41.9	+70.7
Small company growth	+14.2	+ 8.4	+96.1	+65.8
Growth and income	+23.9	+14.8	+29.5	+89.1
Health care	+21.0	+20.5	+76.3	+43.9
Natural resources	+10.1	+ 3.9	+30.9	+10.4
Science and technology	− 3.48	+ 1.3	+70.9	+65.2
Gold oriented	−15.1	−18.6	−36.1	−33.2
Option income	+0.15	+ 9.3	—	—
Fixed income	+22.7	+18.9	+47.7	+94.4
Money market	+16.8	+ 8.4	—	—

* In U.S.$, income reinvested

Source: Lipper Analytical

• FINANCE & THE FAMILY •

Briefcase

Bank fails to check a cheque

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Not long ago I presented a cheque for £51 to the manager of a hotel in York for overnight accommodation and dinner. "Fifty one pounds" was clearly written to the left of the £51 in figures.

I noticed from my latest bank statement that £57 had been deducted. On querying this my bank advised me (in writing) that on close inspection they could see that the cheque was for £51 but that the 51 was a little obscure and could be mistaken for 57.

They also said that it was too late for them to return the cheque so would I take it up with the payee and obtain a direct refund.

Would you please comment in terms of responsibility and liability etc. I have written to the payee in the hope that this proves to be the easiest course of action but I may be being too optimistic.

While it is clearly right to seek repayment from the payee, the ultimate responsibility rests with the bank, which was negligent in not reading the statement of the amount in words.

Asked to be a guardian

My sister and her husband, who have four children, have recently asked me if I would become one of three guardians of their children in the event of the death of my sister and brother-in-law.

I know little of what my responsibilities and the financial aspects would be though I am told I would have no financial worries.

The effect of your appointment as guardian would be to give you all a parent's rights of control over the children including the determination of such matters as their education, religious upbringing and choice of home. You would not incur financial liabilities in law, but some moral obligation in that direction may arise if you find that the parents' estates do not make sufficient financial provision for the children. It would therefore be wise to ensure in advance that sufficient provision will be made.

Leaseholders and the law

In your reply September 7. You stated that the scales are weighted in the tenant's favour by reason of the statutory provisions for relief from forfeiture.

(a) Has the leaseholder complete immunity from forfeiture?

(b) How far can the leaseholder break every possible covenant in his leasehold agreement with impunity by simply at the last moment remedying those breaches?

(c) I understand that Landlord and Tenant Law is evolved to ensure that people cannot be thrown out of their homes, but what is the case where the leaseholder of a large house does not live in the property and it is the freeholders' only home? In such a situation has the resident freeholder any priority over the absentee leaseholder either during the currency of the lease or at its end? I refer particularly to an instance where the leaseholder is in breach of several covenants, and for some time has ignored requests for fulfilment of them. Is a leasehold in fact an enforceable contract in any way?

(a) No.

(b) This depends on the seriousness of the breaches in each instance. Where breaches occur other than failure to pay rent, the court will examine carefully whether to allow the tenancy to be reinstated, and not infrequently allows the forfeiture to prevail.

(c) These are matters which the court would take into consideration in deciding whether or not to grant relief from forfeiture. In the situation which you describe the power to grant relief remains, but it might well not be exercised. A lease is a contract which is enforceable at law; hence once a forfeiture has been incurred the lessor can forfeit as of right, leaving the tenant to seek relief, if he can get it.

A matter of trust

I was very interested indeed to read the two articles on August 24, the first being headed up "Cash gifts to daughters" and the second "Trust for disabled son."

With regard to the question of cash gifts to daughters, I note that you did outline details of the annual exemption of £3,000 but under the 1982 Finance Act, the small gifts allowance of £250 cannot be used by the same person who receives the £3,000 gift.

Concerning the trust for disabled son, I think you will find that there is a strong possibility that the DHSS may seek to bring into account even a discretionary trust fund set up for the benefit of the handicapped child when assessing supplementary benefit (see Halsbury's Laws of England and Social Security Commissioners Tribunal decision R (SB) 4384).

We agree that cash gifts intended to effect a gradual transfer to one or more individuals should be treated as having only £3,000 per year available as the £250 small gifts cannot be used for the same donees. It is of course possible that the DHSS may seek to bring into account a discretionary trust of which the claimant is an object. If however the discretion has been properly exercised and not in favour of the claimant it may prove difficult for the DHSS to escape an obligation to provide for the claimant's needs.

Worried about securities

At present my securities are either with me or at my bank. Dividends are paid direct into my account at the bank. Dividend counterfoils and warrants go direct to the bank and the former are not always forwarded to me for tax purposes. I have to go round and ask for them and sometimes they say they have not got them. My stockbrokers suggest using their nominee services. They then keep all my securities and pay dividends via their own warrants and not the companies. They do this once a quarter (presumably putting them on deposit meanwhile).

Do you think this is a "secure" arrangement? Can the nominees go bust or something? This may seem a silly question as the brokers are among the biggest and well-known.

This service has also the advantage that the broker is is entirely responsible, I believe, for any loss of securities (in the post, for instance). One share certificate has already been lost and although it was never in my hands, they say they sent it to me and I had to sign an indemnity and pay the bank to sign too.

The arrangement suggested is commonly used. It is reasonably safe in that the nominee holdings are held on trust and would not fail to be distributed as part of the assets of an insolvent nominee. There is however obviously a greater risk of a fraudulent misapplication of the shares or of dividends. If the brokers are reasonably well-known to you the proposal's advantages would probably outweigh the risks.

Simple facts about fees

My present house deeds, and those of my previous houses all state that I hold the property in "fee simple." Can you give me a definition of that, and answer three questions?

Does "holding in fee" entitle the Crown to actually levy fees from the land-owner, either of its own volition, or "in Parliament assembled," in legal theory?

Is there any statutory bar to the levying of such fees, either annually, or as may be decided?

Has the right to levy such fees become nul and void through non use over the centuries? One cannot presumably plead the point of "time from which the memory of man runneth not to the contrary," as the legal memory presumably goes back to the Doomsday Book.

The term fee simple used to denote the form of feudal (i.e. relating to fees) tenure by which a land-holder held his land, directly or indirectly, of the Crown. The right of the Crown to a rent or a service in payment for the use of the land became fixed in the early middle ages and all such rights have been abolished under legislation in the nineteenth and early twentieth centuries, culminating in the Law of Property Act 1925. Unless the land was formerly copyhold land (in which case some of the rights of the lord of the manor may have been preserved—most were abolished) neither the Crown nor any mesne lord has any rights in the land; nor can any fees be demanded. Of course the Queen in Parliament can always legislate to reinstate feudal dues, or to create new charges on land, provided the necessary majorities in both Houses of Parliament.

Investment

Sweetener for U.S. trust

"THE security of debt, the appreciation of equity," purrs the glossy brochure accompanying a novel instrument being offered to European investors by VMS, the large Chicago-based property group.

Building on the familiar concept of the U.S. real estate investment trust, which attracts no corporate tax provided that 95 per cen of taxable income is distributed to shareholders, the VMS group is selling a total of 5m units at $20 apiece in its newly established VMS Hotel Investment Trust.

Each unit consists of two shares of common stock (for which a listing is expected on the American Stock Exchange), plus one warrant to buy an additional share at $9.50 within the next five years.

Proceeds of the $100m issue, up to a quarter of which will be sold outside the U.S., will be invested in mortgage loans on hotel properties. The trust's income will consist of interest payments on the loans, at a rate which the prospectus says will be at least equivalent to that paid on seven-year U.S. Treasury bonds, plus the commitment fees of 3 per cent payable by the borrower as soon as a loan is advanced.

Distribution of the trust's income will be made quarterly in cash. But the two sweeteners in the issue are the prospect that investors will receive at least 30 per cent of the appreciation of the underlying property; and according to the documentation, that "the trust will attempt ... to negotiate a right to receive a percentage of the gross revenues from the underlying properties."

If all this adds up to an ambitious promise, VMS's answer is to point to its own record of selectivity in the hotels which it buys, and in the management contracts under which it then lets them out to hotel operators.

VMS (the initials are those of Robert Van Kampen, Peter Morris and Joel Stone) is a partnership presiding over a property empire claimed to be worth some $4.7bn. Hotel properties amounted last month to 27 sites with a total of 10,500 rooms; although with the consummation of a pending deal with Holiday Inns in the U.S., the number of properties will go up to 55.

Among the group's large hotel portfolio are several of the best-known hotels in the U.S. including the huge Shoreham in Washington, D.C., the Omni Park Central (formerly Sheraton) in New York, and the Boca Raton Hotel and Club in Boca Raton, Florida. Ernie Acquaro, a senior VMS executive who looks after property purchases for the group, says he whittles down serious prospects to a handful out of several thousand dangled before the company every year.

The key, says Acquaro, is to buy hotels that have slid into bad times, at prices below market rates and below replacement cost, while taking care to choose only those that are in what the company calls "destination orientated locations"—in other words, it isn't interested in passing travellers.

Further, VMS stresses that it breathes hard down the neck of hotel management companies, insisting on high standards of operational management and marketing of its properties, with a view to a quick sale once their value has been improved.

The downside risk for the investor, of course, is that the U.S. hotel industry's impressive rate of growth will flatten out, disappointing more optimistic projections of the capital gains to be realised once the hotel properties are sold. Given the high standards VMS applies to its acquisitions, moreover, there may be only a limited number of suitable old hotels to be bought up.

Quadrex Securities is marketing the units in Europe.

Adrian Dicks

CONTENTS

Financial Times TOP 500 1985

RESEARCH

Statistical information for this survey was compiled by Dick Whittington, Vicky Sutcliffe, Anne Dullforce and Sue Hopkins. The ROCE calculations were provided by Derek Fitches, Peter Dunning and Trevor Long of Extel and the investment trust figures were supplied by Hamish Buchan at Wood Mackenzie. The survey was co-ordinated by Stefan Wagstyl and Lucy Kellaway.

For reprints (Price £10), which will include addresses, telephone and telex numbers of the companies listed, contact Nicola Banham, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY.

Markets buoyed by strong profit rises

BY STEFAN WAGSTYL

Europe's top 500 companies have surged ahead on their respective stock markets.

Buoyed by strong advances in corporate profits, bourses in most of the 13 countries surveyed rose to record levels in the year to June, taking the combined value of the 500 leading companies to a new high.

To join this year's list a company had to be worth at least $170m, against $145m last year—an increase which is even greater than it appears since European currencies fell against the U.S. dollar, the unit of measure, over the 12 months.

The threshold for the top 100 has risen above $1bn for the first time.

At the top of the 500, newly-privatised British Telecom makes its debut at number 2—ahead of British Petroleum, but well behind Royal Dutch/Shell. Glaxo returns to the top ten, joined by fast-expanding West German insurer Allianz Versicherung, which has leapt 15 places to number 10. GEC, Unilever and Nestle make way for these companies — GEC falling out of the top ten for the first time, in contrast to its West German rival Siemens, which stays unmoved in fifth place.

As in previous years, UK companies, quoted on a more active stock exchange than any on the Continent, dominate the list. The best performer in the 500 is British electrical retailer Dixons Group, up 263 places to 123, after a year of successful expansion and acquisition. The worst performer is also British—Lex Service Group, which has fallen 210 to 442, following losses at a U.S. electronics distribution subsidiary.

A vintage year for UK takeovers means that several prominent names have left the 500, notably House of Fraser, now privately owned by the Al Fayed family. But their places have been filled by a string of new issues including Abbey Life, in at 128, and Jaguar at 179.

Nevertheless, the UK's pre-eminence in the European 500 is slowly fading as other bourses grow in market capitalisation. The number of British companies is down to 217, against 234 when the list was first published in 1982.

In previous years, Scandinavian companies have made a strong showing in the 500. But this year, the region's biggest stock market, Stockholm, suffered a setback amid growing disillusionment over the Social Democratic government's economic policies. As a result, almost all Swedish companies have fallen back, notably Volvo, down from 27 to 56 and L. M. Ericsson, tumbling from 49 to 78.

Finnish companies, last year's high-fliers, are among the worst performers of 1985, their numbers cut from 12 to 7. The Danish stock market held its own, but its largest company, the once highly-favoured biotechnology group Novo Industri, is down 42 places to 118, following poor results.

Foreign investors played their part in expanding the value of Scandinavian bourses. This year, their attention turned from north to south, particularly to Italy, where the stock market leapt 58 per cent over the 12 months to June.

Investors became increasingly confident about Socialist Prime Minister Craxi's ability to cope with the country's economic problems and backed Italian companies across the board. From vehicles (Fiat) and chemicals (Montedison), to computers (Olivetti) and department stores (La Rinascente), Italian companies have raced up the 500.

In West Germany too, a strong year for the stock market has brought advances on a wide front in the European 500. There were strong gains from the banks, led by Deutsche, up two to 11, matched by good performances in engineering industries from Volkswagen, 13 places higher at 33, and from Mannesman, up nine at 61. The big three chemical groups, Bayer, Hoechst and BASF, all climbed a few places.

However, for the second year running, the highlight of the West German stock market was the insurance sector, with not only Allianz, but also Colonia Versicherung and the life company Victoria Lebens making strong gains.

These groups feature in a European-wide rerating of insurers. The biggest leap came from the Italian company Fondiaria Vita, which rose 230 places to 208. Among larger groups, Winterthur Versicherung and Swiss Re from Switzerland, the Dutch group Nationale-Nederlanden and Italy's Generali Assicuazioni (in which Allianz has taken a stake) were all up on last year. The UK's Commercial Union, beset by problems in the U.S., was one of the few insurers to have fallen in this years list.

The gains made by insurers were primarily the result of a general improvement in world insurance rates. But they also reflect an overall increase in the popularity of financial groups, which has embraced the banks as well. Some of the biggest advances have been posted by Switzerland's Baer Holding, Mediobanca of Italy and the ambitious Scottish pair, Bank of Scotland and Royal Bank of Scotland.

But the list also highlights the risks of banking—one of the year's biggest casualties is Johnson Matthey, leaving the European 500 altogether following the collapse of its subsidiary, Johnson Matthey Bankers.

Looking across the broad sweep of European industry, the advance of the economic cycle last year brought back into favour many cyclical stocks in old-established industries, often at the expense of high-technology favourites.

This year, the trend has continued, with some of the most notable gains posted by companies which had to fight longer than most to overcome the recession.

This development is particularly clear in France, where consumer goods companies were all the rage on the stock market last year. This time, it is electrical group Thomson-CSF, tyre-maker Michelin and vehicle group Peugeot which have made the running.

Elsewhere, Swedish engineer Alfa-Laval, Italian tyre-maker Pirelli and UK motor parts group Lucas Industries have all made good recoveries in the rankings.

It was a bad year for oil companies, however, with the price of crude falling relentlessly. Shell was the only big oil group not to slip in the rankings. Ultramar was the worst performer, tumbling 66 places to 154.

THE FT 500 is a survey of Europe's biggest companies, published for the fourth year in succession.

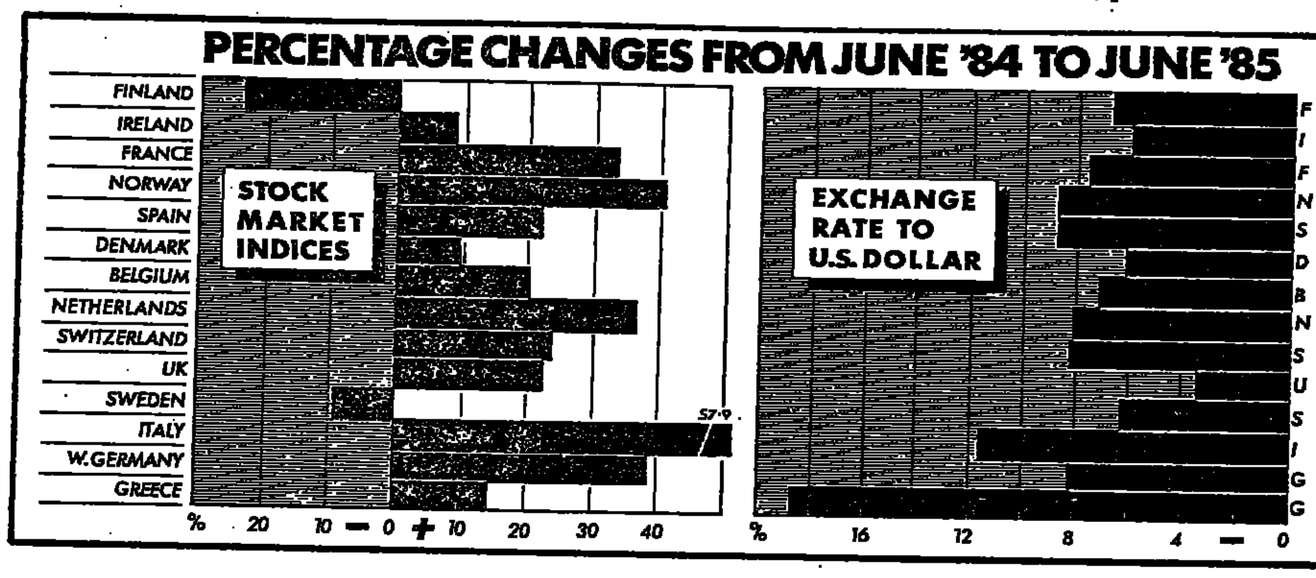
In the two main lists, the European 500 and the UK 500, publicly quoted companies are ranked by market capitalisation, taken as an average for the month of June. This yardstick measures a company's value in the eyes of investors. It is a good guide to performance over time.

Moreover, market capitalisation gives proper weight to banks, whose positions are distorted in lists based on turnover and to loss-making companies, which disappear altogether from tables ranked by profits.

The survey also analyses the key figures on each company — turnover, profits, employment and return on capital.

The stock market varies in importance from one country to another. It is particularly important in the UK, in West Germany banks play a more direct part in corporate finance, and in France and Italy many of the biggest groups are state-owned. To take account of these we include for the third year running a list of the top 100 European enterprises, whether publicly or privately owned, ranked by turnover.

In addition, for the first time, the survey looks at UK investment trusts, ranking them by market capitalisation in a table of the top 100.



FT500 Europe's biggest employers

Rank	Company	Cty	Sr	Top 500 Rank	No. of Employees
1	Unilever NV/PLC	N/UK	25	13	336,000*
2	Philips	Net	4	24	344,000+
3	Siemens	Ger	4	5	319,000+
4	Volkswagen	Ger	9	33	238,353‡
5	British Telecom	UK	48	2	238,304*
6	Fiat	Ita	9	36	230,805‡
7	Great Universal Stores	UK	34	39	224,820‡
8	BAT Industries	UK	36	8	222,624*
9	Daimler-Benz	Ger	9	4	199,872‡
10	Peugeot	Fra	9	212	187,500‡
11	Hoechst	Ger	42	20	177,940†
12	Bayer	Ger	42	19	174,800‡
13	Royal Dutch/Shell	N/UK	51	1	149,000*
14	Lonrho	UK	91	194	148,394*
15	Nestle	Swi	25	14	137,950‡
16	Thyssen	Ger	8	182	132,954†
17	British Petroleum	UK	51	3	131,000*
18	General Electric	UK	5	12	127,460*
19	Barclays	UK	62	23	125,900*
20	Grand Metropolitan	UK	22	31	125,074*
21	BASF	Ger	42	22	115,816‡
22	Imperial Chemical Inds	UK	42	7	115,600*
23	Mannesmann	Ger	8	61	103,681‡
24	Imperial Group	UK	36	50	92,599*
25	Thorn EMI	UK	29	104	90,327*

* Weekly average. † Year-end total. ‡ Weekly average for prior year

500 Capitalisation by Country

	$bn
UK	215.05
West Germany	82.49
Switzerland	46.01
Netherlands	33.41
France	22.46
Sweden	17.08
Italy	14.43
Spain	8.62
Belgium	7.38
Denmark	2.23
Norway	2.13
Finland	1.75
Ireland	0.94

Financial Times TOP 500

2 EUROPE

1-200

Ranking 1986	1985	Company	Country	Market capital $m	Sector	Ranking	Turnover this year $m	Turnover last year $m	% change	Profit this year $m	Profit last year $m	% change	ROCE	Employees	Year end
1	(1)	Royal Dutch/Shell	NUK	25,404.0	51	1	94,501.9	79,723.4	18.5	13,599.2	11,483.9	18.4	29.5	149,000	31.12.84§
2	(—)	British Telecom	UK	16,363.6	48	20	9,798.9	8,804.0	11.3	1,895.0	1,267.8	49.4	18.6	238,304	31.3.85*
3	(2)	British Petroleum	UK	12,159.2	51	2	48,589.7	41,480.9	17.1	4,423.8	3,320.1	33.2	21.1	131,000	31.12.84*
4	(3)	Daimler-Benz	GER	9,795.6	9	12	14,203.6	13,060.6	8.7	1,348.5	1,387.6	−2.8	23.0	199,872	31.12.84
5	(5)	Siemens	GER	8,942.8	4	9	14,958.7	12,886.2	16.0	812.6	588.6	38.0	10.7	319,000	30.9.84
6	(6)	Union Bank of Switzerland	SWI	8,730.1	62	—	NR	NR	—	348.3	307.4	13.3	15.2†	17,647	31.12.84*
7	(8)	Imperial Chemical Industries	UK	6,048.5	42	15	12,687.5	10,571.0	20.0	1,323.9	792.5	67.0	22.2	115,600	31.12.84
8	(10)	BAT Industries	UK	5,942.8	36	4	19,588.9	14,819.3	31.2	1,798.9	1,253.5	43.5	21.7‡	222,624	31.12.84
9	(11)	Glaxo Holdings	UK	5,838.0	27	133	1,636.3	1,315.5	16.7	327.7	238.6	37.3	38.4	25,053	30.6.84§
10	(25)	Allianz Versicherung	GER	5,830.5	66	—	NR	NR	—	220.5	238.4	−7.5	NR	24,990	31.12.84*
11	(13)	Deutsche Bank	GER	5,714.0	62	—	NR	NR	—	618.3	612.8	0.8	27.6†	47,873	31.12.84
12	(4)	General Electric	UK	5,650.5	5	27	6,686.8	6,146.3	8.7	927.7	858.5	8.0	24.4	127,460	31.3.85
13	(9)	Unilever NV/PLC	NUK	5,613.1	25	3	20,706.7	17,139.5	20.8	1,184.3	984.6	20.2	20.8	366,000	31.12.84
14	(7)	Nestle	SWI	5,424.2	25	17	12,110.9	10,867.2	11.4	1,039.9	953.2	9.0	22.6	137,950	31.12.84
15	(15)	Swiss Bank Corporation	SWI	4,889.2	62	—	NR	NR	—	284.8	252.8	12.6	13.9†	14,400	31.12.84*
16	(16)	BTR	UK	4,623.5	10	36	4,464.4	2,521.7	77.0	363.8	218.4	66.5	23.0	60,300	29.12.84
17	(12)	Marks and Spencer	UK	4,427.6	34	44	4,090.0	3,654.9	11.9	388.4	357.6	8.6	22.9	53,963	31.3.85
18	(22)	CIBA-Geigy	SWI	4,117.4	42	26	6,795.7	5,732.8	18.5	461.6	301.7	52.9	9.8	81,423	31.12.84*
19	(21)	Bayer	GER	3,984.0	42	13	14,048.9	12,189.3	15.2	947.1	706.1	34.1	19.1	174,800	31.12.84
20	(26)	Hoechst	GER	3,905.3	42	14	13,534.8	12,141.4	11.4	931.3	638.3	45.9	18.5	177,940	31.12.84
21	(23)	Credit Suisse	SWI	3,762.0	62	—	NR	NR	—	222.3	192.7	15.3	11.0†	12,260	31.12.84*
22	(29)	BASF	GER	3,335.6	42	11	14,209.2	12,357.1	14.9	822.7	547.7	50.2	18.4	115,816	31.12.84
23	(33)	Barclays	UK	3,275.0	62	—	NR	NR	—	838.6	713.1	17.5	30.7†	125,800	31.12.84
24	(20)	Philips	NET	3,267.0	4	8	15,581.9	13,470.8	15.6	573.1	389.2	47.2	10.1	344,000	31.12.84§
25	(37)	Hanson Trust	UK	3,229.5	11	64	3,050.3	1,900.1	60.5	216.5	116.6	85.6	16.5‡	67,000	30.9.84
26	(31)	Generali Assicurazioni	ITA	3,187.8	66	—	NR	NR	—	79.2	56.7	39.6	NR	NA	31.12.84*
27	(19)	Beecham Group	UK	3,054.2	27	68	2,930.9	2,489.1	17.7	391.9	343.0	14.2	31.5	37,500	31.3.85
28	(40)	National Westminster Bank	UK	3,007.4	62	—	NR	NR	—	869.1	663.2	29.5	28.8†	82,499	31.12.84§
29	(36)	Cable and Wireless	UK	2,998.1	48	172	1,103.0	861.8	27.9	313.9	243.4	28.9	29.8	24,016	31.3.85
30	(—)	Munchener Ruckversicherungs	GER	2,882.4	66	—	NR	NR	—	37.5	37.1	1.0	NR	NA	30.6.84¶
31	(17)	Grand Metropolitan	UK	2,778.8	22	28	6,498.0	5,721.8	13.5	428.0	377.9	13.2	17.0	125,074	30.9.84
32	(24)	Hoffman La Roche and Co.	SWI	2,774.3	42	60	3,215.1	2,920.7	10.0	147.8	127.7	15.7	NA	46,199	31.12.84*
33	(46)	Volkswagen	GER	2,726.7	9	10	14,910.5	13,088.1	13.9	487.6	91.0	435.8	12.6	239,353	31.12.84
34	(14)	RWE	GER	2,717.9	56	23	8,738.1	7,873.8	10.9	510.2	553.9	−7.8	8.0	70,359	30.6.84
35	(32)	Sainsbury J.	UK	2,672.9	26	50	3,839.5	3,296.7	16.4	200.2	116.4	20.3	29.1	43,403	23.3.85
36	(81)	Fiat	ITA	2,661.6	9	16	12,194.4	11,258.7	8.3	445.7	192.5	131.5	9.3	230,806	31.12.84*
37	(35)	VEBA	GER	2,612.5	11	7	16,201.1	16,059.1	0.8	627.3	447.6	17.8	9.9	76,795	31.12.84
38	(42)	Prudential Corporation	UK	2,452.8	65	—	NR	NR	—	99.8	129.4	−22.8	NR	22,464	31.12.84§
39	(38)	Great Universal Stores	UK	2,401.4	34	73	2,785.6	2,603.0	7.0	324.5	290.0	11.8	19.0	224,820	31.3.85*
40	(—)	Telefonica	SPA	2,360.6	48	99	2,093.1	1,793.9	16.6	306.1	258.9	18.2	9.6	66,781	31.12.84
41	(30)	Rio Tinto-Zinc Corporation	UK	2,185.1	81	24	7,616.6	6,160.0	23.6	858.2	736.4	16.5	15.1	74,004	31.12.84
42	(45)	Bass	UK	2,180.0	22	72	2,883.8	2,545.9	13.2	279.8	224.0	24.8	17.6	69,192	30.9.84
43	(57)	Nationale-Nederlanden	NET	2,175.5	66	—	NR	NR	—	223.0	206.7	8.4	NR	21,096	31.12.84
44	(51)	Zurich Insurance	SWI	2,174.3	66	—	NR	NR	—	66.6	59.5	11.9	NR	23,000	31.12.84*
45	(28)	Elf Aquitaine	FRA	1,967.8	51	5	18,996.4	14,354.7	32.3	305.1	258.9	18.2	9.6	66,781	31.12.84¶
46	(55)	Royal Insurance	UK	1,957.1	66	—	NR	NR	—	14.3	125.9	−88.6	NR	8,653	31.12.84
47	(64)	Air Liquide	FRA	1,923.2	10	96	2,123.6	1,831.3	15.9	267.1	210.7	26.7	27.7	25,000	31.12.84
48	(54)	Allied-Lyons	UK	1,855.6	22	46	4,065.0	3,649.8	11.3	280.4	249.5	12.3	16.2	71,448	2.3.85
49	(43)	BMW	GER	1,764.7	9	37	4,383.8	3,899.1	12.4	338.5	297.5	13.6	22.7	51,931	31.12.84*
50	(50)	Imperial Group	UK	1,745.9	36	30	5,880.9	5,590.9	5.1	282.4	250.0	12.9	20.0	92,599	31.10.84§*
51	(56)	Sandoz	SWI	1,735.1	42	70	2,891.1	2,545.7	13.5	159.8	124.4	28.4	12.3	38,036	31.12.84*
52	(60)	Lloyds Bank	UK	1,731.4	62	—	NR	NR	—	599.2	536.4	11.7	24.8†	70,866	31.12.84
53	(77)	Dresdner Bank	GER	1,722.0	62	—	NR	NR	—	287.6	257.4	11.7	19.7†	26,724	31.12.84
54	(44)	Boots	UK	1,707.5	34	81	2,603.2	2,346.7	10.9	243.6	211.3	15.2	26.1	67,887	31.3.85
55	(39)	Land Securities Investment Tst.	UK	1,695.0	69	—	NR	NR	—	122.4	107.5	13.8	5.3	405	31.3.85
56	(27)	Volvo	SWE	1,645.8	9	19	9,832.6	11,234.1	−12.4	883.7	426.8	102.3	27.9	68,586	31.12.84
57	(65)	Commerzbank	GER	1,630.0	62	—	NR	NR	—	175.0	145.7	20.1	18.1†	22,801	31.12.84
58	(75)	Winterthur Versicherung	SWI	1,609.3	66	—	NR	NR	—	80.6	85.9	−6.1	NR	12,000	31.12.84
59	(41)	Petrofina	BEL	1,596.1	51	22	9,320.4	8,313.5	12.1	1,028.3	1,001.0	2.7	40.1	22,500	31.12.84
60	(67)	BOC Group	UK	1,490.5	42	79	2,692.7	2,178.7	23.5	176.4	122.6	43.8	12.2	38,690	30.9.84
61	(70)	Mannesmann	GER	1,490.0	8	31	5,147.2	4,594.8	12.0	210.6	131.5	60.1	9.9	103,881	31.12.84
62	(155)	Victoria Lebens	GER	1,456.0	65	—	NR	NR	—	54.0	35.9	50.4	NR	11,980	31.12.84
63	(99)	Trafalgar House	UK	1,447.1	11	101	2,065.9	1,720.4	20.0	144.9	101.1	43.3	28.9	31,249	30.9.84*
64	(53)	Associated Dairies	UK	1,437.2	26	87	2,476.5	2,247.3	10.1	152.3	133.9	13.7	37.5	35,171	27.4.85*
65	(68)	Guardian Royal Exchange	UK	1,433.2	66	—	NR	NR	—	118.0	156.3	−24.5	NR	9,603	31.12.84
66	(62)	Sears	UK	1,401.2	23	82	2,585.6	2,354.6	9.8	224.3	203.7	10.1	19.7	60,571	31.1.85
67	(52)	Distillers Company	UK	1,376.4	22	163	1,193.5	1,033.0	15.5	302.4	245.3	23.2	20.4	14,900	31.3.85*
68	(93)	Legal and General Assurance	UK	1,337.6	65	—	NR	NR	—	61.5	71.1	−13.5	NR	5,763	31.12.84
69	(48)	Britoil	UK	1,333.9	51	116	1,709.9	1,538.1	11.1	881.0	750.5	17.3	60.0	2,721	31.12.84*
70	(78)	General Accident	UK	1,308.9	66	—	NR	NR	—	4.9	83.9	−94.1	NR	9,347	31.12.84
71	(30)	Bayerische Hypo and W. Bank	GER	1,296.6	62	—	NR	NR	—	158.7	113.2	40.1	22.6†	11,442	31.12.84
72	(73)	Trust House Forte	UK	1,277.5	29	142	1,470.6	1,295.7	13.4	134.6	105.1	28.0	14.1	55,900	31.10.84*
73	(79)	Bayerische Vereinsbank	GER	1,276.5	62	—	NR	NR	—	158.0	154.0	2.5	18.6†	13,024	31.12.84
74	(112)	Tesco Stores (Holdings)	UK	1,249.6	26	49	3,841.7	3,322.0	15.6	104.0	86.2	20.6	20.1	42,020	23.2.85
75	(82)	Akzo	NET	1,240.1	42	32	4,784.2	4,368.5	9.5	383.5	192.5	99.2	22.2	66,100	31.12.84
76	(92)	Reuters	UK	1,238.2	32	289	400.7	310.6	29.0	95.1	70.8	34.3	57.9	3,733	31.12.84
77	(61)	Consolidated Gold Fields	UK	1,224.8	81	176	1,081.9	973.6	11.1	134.4	114.8	17.0	14.6	12,679	30.6.84
78	(49)	Ericsson LM	SWE	1,202.1	5	58	3,318.3	2,851.3	16.3	160.3	195.2	−17.8	17.6	75,116	31.12.84
79	(59)	Asea	SWE	1,161.6	6	45	4,077.5	3,414.3	19.4	252.8	214.6	17.8	12.6	58,434	31.12.84*
80	(34)	Plessey	UK	1,151.2	5	113	1,812.6	1,603.5	13.0	208.6	225.4	−7.0	24.3	37,533	29.3.85
81	(91)	Swiss Re.	SWI	1,150.8	66	—	NR	NR	—	87.1	80.1	8.7	NR	1,075	31.12.83*
82	(100)	Algemene Bank Nederland	NET	1,150.2	62	—	NR	NR	—	183.9	196.6	−6.4	47.0†	28,381	31.12.84*
83	(121)	Olivetti	ITA	1,138.7	44	80	2,344.3	1,913.3	22.5	245.8	195.1	25.8	26.3	47,613	31.12.84
84	(85)	Sun Alliance and Lond. Insce.	UK	1,131.2	65	—	NR	NR	—	60.9	93.9	−35.1	NR	12,879	31.12.84*
85	(98)	Associated British Foods	UK	1,114.0	25	51	3,752.3	3,539.9	6.0	169.3	162.2	4.3	15.7	77,273	31.3.85
86	(229)	Dee Corporation	UK	1,100.0	26	62	3,118.5	1,775.9	75.4	82.3	38.2	127.3	43.5	43,240	27.4.85
87	(87)	Midland Bank	UK	1,098.0	62	—	NR	NR	—	172.8	289.0	−40.0	8.5†	67,065	31.12.84
88	(108)	Tarmac	UK	1,085.2	2	121	1,634.5	1,438.5	13.6	140.3	114.7	22.3	34.5	24,284	31.12.84
89	(72)	L'Oreal	FRA	1,080.9	27	117	1,692.5	1,452.6	16.5	125.7	122.8	2.3	27.4	27,117	31.12.84§
90	(69)	Commercial Union	UK	1,077.8	66	—	NR	NR	—	(93.2)	11.9	—	NR	6,743	31.12.84*
91	(158)	P & O Steam Navigation	UK	1,075.0	45	112	1,836.6	1,675.5	9.6	89.1	72.5	22.8	11.7	20,948	31.12.84
92	(132)	Whitbread	UK	1,060.9	22	111	1,848.9	1,518.1	21.7	140.9	121.7	15.7	12.7	31,446	2.3.85
93	(47)	Racal Electronics	UK	1,051.7	5	148	1,417.4	1,044.4	35.7	169.3	152.6	10.9	28.0	25,220	31.3.85
94	(138)	Alleanza	ITA	1,034.4	65	—	NR	NR	—	22.8	14.9	53.0	NR	2,755	31.12.84
95	(95)	Moet-Hennessy	FRA	1,033.3	22	217	732.7	570.7	28.3	118.1	86.4	36.6	33.7	6,600	31.12.84
96	(103)	Fisons	UK	1,032.6	42	237	647.8	357.4	81.2	61.8	39.9	54.8	25.6	8,634	31.12.84
97	(74)	Hawker Siddeley Group	UK	1,021.8	6	103	2,048.6	1,865.5	9.8	193.9	176.0	10.1	14.5	41,500	31.12.84
98	(120)	Cadbury Schweppes	UK	1,014.7	25	83	2,581.5	2,180.2	18.4	158.7	136.8	16.0	26.0	35,455	29.12.84
99	(147)	Burton Group	UK	1,001.6	34	257	532.5	383.0	39.0	72.2	50.0	44.4	22.6	12,160	1.9.84
100	(123)	Sedgwick Group	UK	1,001.2	67	—	NR	NR	—	109.4	102.5	6.7	41.3	6,320	31.12.84
101	(133)	Montedison	ITA	1,000.3	42	29	6,340.8	5,458.9	16.1	18.4	(102.4)	—	17.4	71,215	31.12.84
102	(164)	Mediobanca	ITA	992.4	62	—	NR	NR	—	60.5	47.9	26.3	50.5†	261	30.6.84*
103	(106)	Jacobs Suchard	SWI	985.7	25	107	1,987.7	1,775.4	11.9	64.6	69.4	−6.9	21.6	10,632	31.12.84
104	(66)	Thorn EMI	UK	973.6	29	43	4,102.9	3,611.9	13.5	138.6	200.7	−30.9	14.4	90,327	31.3.85
105	(105)	Reckitt and Colman	UK	969.9	27	146	1,439.6	1,256.0	14.6	136.2	113.7	19.7	31.6	34,600	31.12.84
106	(63)	Norsk Hydro	NOR	965.7	42	47	4,032.6	3,378.2	19.4	594.9	426.0	39.6	27.8	19,825	31.12.84§
107	(86)	Standard Chartered	UK	949.6	62	—	NR	NR	—	371.7	343.2	8.3	28.6†	6,131	31.12.84*
108	(53)	STC	UK	937.0	5	86	2,518.1	2,262.8	11.2	180.2	177.0	1.8	27.9	52,218	31.12.84*
109	(136)	Royal Bank of Scotland	UK	927.9	62	—	NR	NR	—	168.1	122.2	37.5	20.1†	16,000	30.9.84
110	(135)	BET	UK	920.9	11	134	1,633.4	1,375.6	11.4	132.5	109.7	20.7	20.9	45,233	31.3.85
111	(122)	Smith and Nephew Associates	UK	914.9	27	271	479.0	402.0	19.1	71.0	57.1	24.3	30.0	11,635	29.12.84
112	(84)	BSN Groupe	FRA	913.2	25	69	2,923.0	2,666.6	9.6	144.5	154.1	−6.2	20.0	37,340	31.12.84
113	(71)	Saab-Scania	SWE	904.1	9	67	2,931.7	2,346.3	24.9	288.5	228.8	26.0	28.0	43,055	31.12.84
114	(83)	British Aerospace	UK	895.4	6	61	3,159.9	2,945.3	7.2	153.9	105.3	46.1	12.1	75,898	31.12.84
115	(148)	Amro Bank	NET	895.6	62	—	NR	NR	—	96.1	101.9	−5.6	11.0†	23,341	31.12.84*
116	(132)	Reed International	UK	894.7	33	78	2,708.3	2,615.8	3.5	137.6	123.4	11.5	17.5	45,200	31.3.85
117	(162)	Aegon	NET	893.3	66	—	NR	NR	—	100.1	83.7	19.5	NR	7,471	31.12.84
118	(75)	Novo Industri	DEN	878.6	42	299	342.6	305.6	12.1	83.4	87.0	−4.1	22.4	4,570	31.12.84
119	(137)	United Biscuits	UK	858.2	25	86	2,124.8	1,737.1	22.3	111.6	106.6	4.6	22.3	41,131	29.12.84*
120	(146)	Amev	NET	848.0	66	—	NR	NR	—	109.5	81.8	33.8	NR	8,570	31.12.84
121	(115)	Heineken	NET	834.7	22	115	1,776.6	1,335.5	33.0	109.1	103.4	5.5	16.0	25,112	31.12.84§
122	(150)	Schering	GER	834.5	42	125	1,595.8	1,398.4	14.1	111.7	70.8	57.7	12.7	23,039	31.12.84
123	(386)	Dixons Group	UK	834.5	34	211	776.8	449.1	72.9	50.7	26.2	93.5	15.5	7,581	27.4.85*
124	(89)	Intercom	BEL	832.6	55	94	2,136.6	1,967.5	8.5	126.1	128.2	−1.6	11.2	9,001	31.12.84
125	(104)	Electrolux	SWE	823.8	39	43	3,951.1	3,630.9	8.8	300.4	210.4	42.7	21.6	89,600	31.12.84
126	(153)	Rank Organisation	UK	817.2	29	194	927.9	951.2	−2.4	134.8	88.7	51.9	16.9	17,780	31.10.84
127	(216)	Ste. Gen. de Surveillance	SWI	814.2	11	279	448.5	390.7	14.7	52.9	46.5	13.7	24.0	13,807	31.12.84
128	(—)	Abbey Life	UK	810.2	65	—	NR	NR	—	11.6	NA	—	NA	2,119	31.12.84*
129	(101)	Hammerson Property	UK	803.8	69	—	NR	NR	—	42.7	34.4	24.1	8.4	318	31.12.84*
130	(141)	Pearson	UK	803.3	11	177	1,079.6	935.2	15.4	127.2	99.1	28.3	20.5	22,934	31.12.84
131	(134)	Oerlikon Buehrle	SWI	793.8	6	109	1,916.4	1,558.3	22.9	28.2	(13.8)	—	4.4	30,898	31.12.84
132	(221)	Woolworth Holdings	UK	790.1	34	137	1,493.0	1,624.3	−8.0	135.4	72.3	87.2	17.8	52,667	2.2.85*
133	(154)	Rowntree Mackintosh	UK	776.4	25	139	1,480.7	1,218.8	21.4	95.3	78.3	21.7	19.4	32,400	29.12.84
134	(107)	Pharmacia	SWE	768.5	42	309	322.6	262.1	23.0	71.9	58.1	23.7	28.1	4,623	31.12.84
135	(126)	Banco de Santander	SPA	762.5	62	—	NR	NR	—	100.6	89.2	12.7	20.5†	10,350	31.12.84
136	(124)	VEW	GER	760.6	56	108	1,925.2	1,866.2	3.1	98.5	110.2	−10.6	4.0	7,353	31.12.84
137	(116)	Preussag	GER	758.7	11	35	4,484.0	4,073.5	10.0	112.1	94.8	18.2	15.8	20,181	31.12.84
138	(171)	Hidroelectrica Espanola	SPA	752.4	55	195	920.6	904.7	1.7	91.9	105.8	−13.1	2.9	NA	31.12.84
139	(142)	Blue Circle Industries	UK	750.5	2	170	1,114.3	1,160.6	−3.9	144.9	140.2	3.3	10.9	18,998	31.12.84
140	(129)	Electrowatt	SWI	749.5	11	192	935.7	962.9	−2.8	20.0	19.0	5.2	6.1	11,979	30.6.84*
141	(94)	Total	FRA	749.4	51	6	17,004.8	14,979.4	13.5	1,705.4	1,449.4	17.6	42.9	45,000	31.12.84*
142	(140)	Pilkington Brothers	UK	743.5	2	129	1,570.9	1,554.9	1.0	148.5	113.0	31.4	9.7	44,000	31.3.85
143	(127)	Astra	SWE	740.3	27	261	441.7	402.5	9.7	90.8	71.4	27.1	27.6	6,314	31.12.84
144	(156)	British Home Stores	UK	739.5	34	225	704.7	633.0	11.3	78.1	70.6	10.6	24.1	24,354	31.3.85
145	(160)	Sanofi	FRA	739.4	42	162	1,203.9	999.6	20.4	78.0	63.1	20.4	22.2	18,819	31.12.84*
146	(163)	Swissair	SWI	737.7	15	130	1,560.2	1,438.7	8.5	32.1	27.6	16.3	5.9	16,852	31.12.84*
147	(96)	Norwestdeutsche Kraftwerke	GER	720.8	55	190	946.0	1,152.4		49.3	303.2	—	3.8	3,559	31.12.84*
148	(144)	Hochtief	GER	715.5	3	138	1,482.3	1,644.4	−9.8	165.4	190.4	−13.1	19.8	30,338	31.12.84
149	(97)	Svenska Cellulosa	SWE	712.6	33	152	1,300.7	1,103.3	17.8	165.4	113.5	45.7	19.3	15,417	31.12.84
150	(110)	Degussa	GER	710.5	42	53	3,630.9	3,622.7	0.2	84.7	82.2	3.0	13.9	22,531	30.9.84
151	(131)	Redland	UK	708.3	2	161	1,222.5	1,152.7	6.0	138.5	120.1	15.3	23.8	11,953	30.3.85§
152	(105)	MEPC	UK	706.0	69	—	NR	NR	—	57.8	51.7	11.7	5.9	736	30.9.84
153	(191)	Swiss Volksbank	SWI	701.3	62	—	NR	NR	—	37.0	30.4	21.7	7.9†	5,067	31.12.84*
154	(89)	Ultramar	UK	698.9	51	41	4,174.6	2,633.9	58.4	364.7	199.7	82.6	35.6	4,016	31.12.84
155	(223)	Argyll Group	UK	696.8	26	93	2,147.2	1,854.4	15.7	67.9	51.3	32.3	33.2	36,800	30.3.85
156	(165)	Brown Boveri	SWI	680.7	4	38	4,381.2	4,144.9	5.2	114.3	NA	—	8.9	16,392	31.12.84*
157	(145)	Courtaulds	UK	680.0	35	75	2,765.3	2,609.6	5.5	164.1	150.8	8.8	20.1	70,000	31.3.85
158	(178)	Bancaire	FRA	679.7	68	—	NR	NR	—	183.2	179.8	1.8	101.8†	6,850	31.12.84
159	(172)	RAS	ITA	678.2	66	—	NR	NR	—	10.4	7.7	35.0	NR	3,668	31.12.84*
160	(197)	Willis Faber	UK	676.6	67	—	NR	NR	—	60.1	49.0	22.6	42.9	3,321	31.12.84
161	(170)	Guest, Keen and Nettlefolds	UK	673.1	9	74	2,766.4	2,528.1	9.4	153.9	112.8	36.4	15.9	54,903	31.12.84
162	(106)	Skandinaviska Enskilda Bank	SWE	668.3	62	—	NR	NR	—	249.6	246.2	1.3	74.7†	7,893	31.12.84
163	(287)	KLM	NET	663.5	15	120	1,638.3	1,456.6	12.4	83.9	29.8	181.5	8.2	19,193	31.3.85*
164	(114)	GHH	GER	660.5	6	42	4,141.1	4,022.6	2.9	15.2	(15.2)	—	4.3	73,917	30.6.84
165	(179)	Iberduero	SPA	655.4	55	181	1,007.9	940.5	7.1	93.2	81.6	14.2	8.1	7,556	31.12.84*
166	(234)	Carrefour	FRA	650.8	34	40	4,209.6	3,491.8	20.5	105.2	85.1	23.6	30.9	28,700	31.12.84
167	(174)	Northern Foods	UK	647.7	25	123	1,629.1	1,667.0	−2.2	70.9	68.2	3.9	20.6	22,264	31.3.85*
168	(125)	Pernod Ricard	FRA	644.4	22	224	708.0	615.5	15.0	84.2	91.0	−7.4	17.9	7,470	31.12.84
169	(258)	Debenhams	UK	642.6	34	193	933.1	875.2	6.6	52.1	41.8	24.6	13.2	17,435	2.2.85
170	(119)	Banco Central	SPA	638.4	62	—	NR	NR	—	105.0	97.7	7.4	15.1†	19,432	31.12.84*
171	(186)	Linde	GER	637.0	6	165	1,176.2	1,098.2	7.1	47.4	40.1	18.2	10.7	18,391	31.12.84*
172	(130)	Banco Espanol de Credito	SPA	634.4	62	—	NR	NR	—	117.3	103.4	13.4	15.3†	18,121	31.12.84*
173	(113)	EBES	BEL	634.3	55	368	1,035.9	963.7	7.5	92.1	117.2	−21.4	8.5	4,844	31.12.84*
174	(117)	Ferranti	UK	633.6	5	219	727.1	579.3	25.7	58.8	49.6	18.5	26.2	20,454	31.3.85
175	(249)	Guinness	UK	633.0	22	184	1,182.7	1,117.0	5.8	90.1	75.2	19.8	21.1	11,216	30.9.84
176	(151)	Harrisons and Crosfield	UK	628.5	91	118	1,665.0	1,295.2	28.5	106.5	72.4	47.0	17.0	24,850	31.12.84
177	(167)	Generale des Eaux	FRA	618.1	55	39	4,273.3	3,180.8	34.3	118.0	101.2	16.6	13.1	7,203	31.12.84
178	(200)	Philips Kommunikations Ind.	GER	614.3	5	226	704.7	684.6	2.9	52.6	42.8	22.8	19.8	9,810	31.12.84
179	(—)	Jaguar	UK	613.0	9	207	811.9	605.1	34.1	117.1	64.0	82.9	59.9‡	9,662	31.12.84*
180	(205)	Sun Life Assurance Society	UK	603.1	65	—	NR	NR	—	15.3	12.8	19.5	NR	2,377	31.12.84
181	(173)	Isar Amperwerke	GER	603.0	55	275	459.7	442.9	3.7	49.0	45.4	7.9	4.4	3,397	30.6.84*
182	(111)	Thyssen	GER	598.0	8	18	10,587.6	9,281.4	14.3	110.6	(125.2)	—	8.1	132,954	30.9.84
183	(196)	KHD	GER	595.8	8	131	1,553.8	1,300.7	19.4	48.9	44.6	9.6	7.8	20,628	31.12.84
184	(194)	Aachener and Munchener Be...	GER	594.7	66	—	NR	NR	—	45.2	43.3	4.3	NR	NA	31.12.84
185	(139)	Karstadt	GER	594.7	34	55	3,521.4	3,608.1	−2.4	38.9	74.8	−47.9	5.2	61,717	31.12.84
186	(227)	Beiersdorf	GER	577.3	27	274	467.3	422.2	10.6	35.7	28.2	26.5	13.6	14,227	31.12.84*
187	(250)	Bank of Scotland	UK	575.5	62	—	NR	NR	—	102.9	75.9	35.5	30.5†	9,952	28.2.85
188	(175)	Bank Leu	SWI	573.0	62	—	NR	NR	—	18.8	16.6	13.2	7.1†	1,194	31.12.84*
189	(215)	Coats Patons	UK	566.8	35	150	1,377.7	1,137.0	21.1	140.5	111.3	26.2	23.6	42,942	31.12.84
190	(166)	Kaufhof	GER	566.6	34	76	2,750.0	2,797.8	−1.7	46.2	51.2	−9.7	9.7	43,700	31.12.84
191	(199)	Exco International	UK	566.4	70	320	269.7	107.6	150.6	103.3	41.6	148.3	64.5	1,749	31.12.84
192	(206)	AEG-Telefunken	GER	565.8	5	54	3,596.1	3,763.3	−4.4	139.2	24.2	47.5	13.0	73,000	31.12.84
193	(180)	English China Clays	UK	565.8	10	213	773.6	627.6	23.2	81.6	59.5	37.1	16.0	12,440	30.9.84
194	(190)	Lonrho	UK	563.5	91	65	3,030.7	3,018.6	0.4	173.3	144.9	19.6	16.7	148,394	30.9.84
195	(—)	Skanska	SWE	563.3	3	126	1,579.8	1,296.9	21.8	103.8	184.9	−43.7	9.9	29,436	31.12.84¶
196	(128)	BPB Industries	UK	555.0	2	220	722.5	676.1	6.8	100.6	102.0	−1.3	26.3	10,610	31.3.85
197	(187)	Ladbroke Group	UK	553.7	29	147	1,428.8	1,084.3	31.7	64.2	53.5	20.0	14.5	18,479	1.1.85
198	(168)	Imperial Continental Gas Assn.	UK	546.3	51	204	832.1	699.1	19.0	102.4	64.0	60.0	16.8	10,626	31.3.85
199	(259)	Granada Group	UK	544.0	29	206	812.0	667.2	21.7	68.8	55.6	23.7	16.3	15,556	29.9.84
200	(286)	Ranks Hovis McDougall	UK	537.7	25	127	1,575.4	2,095.9	−24.8	65.4	56.4	15.9	14.7	37,973	1.9.84*

Basis for the lists

● Rankings
The rankings for the European and UK Top 500 tables are based on market capitalisation at the end of June 1985. Any preference capital in issue has been ignored for the purposes of this calculation. The UK, French, German and Swiss figures have been provided by Datastream. All other figures have been obtained from the relevant Stock Exchanges.

Where two or more companies share the same market capitalisation, the ranking has been determined by turnover or, where turnover is not available, by profit.

● Exclusions
Companies which have more than 70 per cent of their ordinary capital owned by another company or that have only a small proportion of their capital trading on the stock market have been excluded from the lists.

● Currencies
For the European tables, figures have been converted to dollars using average exchange rates for June. A table has been included in the survey to show the rates applicable and those for June 1984 for comparison. The UK tables show all figures in Sterling.

● Accounts
Consolidated accounts have been used whenever possible. If parent company accounts or partial consolidation only have been reported, these figures have been used with a footnote.

For turnover, sales figures net of sales taxes and inter-group sales have been taken and a ranking based on "This Year's" figure is also featured.

For UK companies, profit is shown before tax, extraordinary items and minority interest.

For European companies, the profit figure has been derived by adding back corporation tax, minority interest and, in the case of Scandinavian companies, year-end appropriations to the year's net profit. It is therefore shown after extraordinary items.

● Return on Capital Employed
The ROCE figures have been provided by Extel Statistical Services based on capital employed at the beginning of the year and profit before interest and taxation unless otherwise stated. For financial companies, capital employed=shareholder's funds.

● Investment Trusts
The ranking for the UK Investment Trust table is also based on market capitalisation at the end of June 1985. The figure for shareholders' funds is based on the number of shares in issue multiplied by the stated net asset value. The table has been compiled with the help of Wood Mackenzie Limited.

Sector Codes

2 Building Materials. 3 Contracting/Construction. 4 Electricals. 5 Electronics. 6 Mechanical Engineering. 8 Metals/Metal Forming. 9 Motors. 10 Other Industrial Materials. 11 Diversified Industrial Holdings. 12 Services. 15 Airlines. 22 Brewers/Distillers. 25 Food Manufacturing. 26 Food Retailing. 27 Health and Household Products. 29 Leisure. 32 Newspapers/Publishing. 33 Packaging/Paper/Timber. 34 Stores. 35 Textiles. 36 Tobacco. 39 Other Consumer Products. 42 Chemicals. 44 Office Equipment. 45 Shipping/Transport. 48 Telephone Networks. 51 Oils. 55 Utilities. 62 Banks. 63 Discount Houses. 65 Insurance, Life. 66 Insurance. Composite. 67 Insurance Brokers. 68 Merchant Banks. 69 Property. 70 Other Financial. 81 Mining Finance. 91 Overseas Traders.

Exchange rates (June averages)

Currency	1985	1984	% Change	1982
Austrian Schilling	21.5326	19.232	−10.68	18.06
Belgian Franc	61.698	55.8038	− 9.55	50.9114
Danish Kroner	10.9914	10.0483	− 8.58	9.1242
Finish Markka	6.3639	5.8228	− 8.50	5.336
French Franc	9.3372	8.4167	− 9.86	7.6659
German Mark	3.063	2.7393	−10.57	2.5486
Greek Drachma	135.872	108.781	−19.94	84.3682
Irish Punt	0.9783	0.8951	− 8.50	0.8074
Italian Lira	1,952.75	1,693.643	−13.27	1,509.6705
Netherlands Guilder	3.453	3.0876	−10.58	2.8556
Norwegian Kroner	8.8172	7.816	−11.36	7.2619
Spanish Peseta	174.63	154.818	−11.35	143.219
Swedish Kroner	8.8534	8.1014	− 8.49	7.6306
Swiss Franc	2.5713	2.2828	−11.22	2.1119
UK Sterling	0.781	0.726	− 7.04	0.6454

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Ranking 1986	1985	Company	Country	Market capital $m	Sector	Ranking	Turnover this year $m	Turnover last year $m	% change	Profit this year $m	Profit last year $m	% change	ROCE	Employees	Year end
201	(208)	British and Commonwlth. Ship.	UK	536.1	45	269	482.2	448.5	7.5	84.7	74.9	13.0	17.9	9,404	31.12.84
202	(248)	Pearl Assurance	UK	531.4	65	—	NR	NR	—	18.6	23.1	−19.4	NR	8,795	31.12.84*
203	(177)	Rothschild J. Holdings	UK	530.6	70	—	NR	NR	—	70.1	NA	—	10.4‡	6,332	31.3.85*
204	(277)	Thomson-CSF	FRA	529.4	5	57	3,392.2	2,729.2	24.2	43.2	(80.6)	—	23.6	64,200	31.12.84
205	(143)	SKF	SWE	525.6	8	106	2,015.3	1,828.7	10.2	154.6	26.8	476.4	14.2	43,869	31.12.84
206	(241)	Michelin	FRA	524.4	9	33	4,753.2	4,399.9	8.0	(202.9)	(193.3)	—	5.5	NA	31.12.84
207	(318)	Credit Foncier de France	FRA	520.3	70	—	NR	NR	—	73.2	57.8	26.6	40.1†	3,603	31.12.84*
208	(438)	Fondiaria	ITA	513.8	66	—	NR	NR	—	30.2	19.1	58.1	NR	2,040	31.12.84*
209	(188)	Scottish and Newcastle Brews.	UK	511.5	22	197	905.5	886.6	2.1	83.4	70.6	18.1	15.1	21,054	28.4.85
210	(412)	Cookson Group	UK	505.6	10	230	685.0	422.7	62.0	71.4	27.7	167.1	23.8	6,326	31.12.84
211	(337)	Wurttemberg Feuerversich	GER	502.7	66	—	NR	NR	—	20.5	17.0	20.5	NR	3,359	31.12.84
212	(274)	Peugeot	FRA	499.4	9	21	9,757.8	9,125.5	6.9	(102.1)	(278.8)	—	4.3	187,500	31.12.84
213	(247)	Smiths Industries	UK	498.4	6	282	497.6	487.4	2.0	46.3	34.3	34.9	20.0	10,864	4.8.84*
214	(256)	Landis and Gyr	SWI	496.4	4	260	516.8	480.3	7.5	23.7	19.1	24.0	5.2	15,180	30.9.84*
215	(157)	BICC	UK	493.0	4	84	2,541.7	2,277.0	11.6	115.2	104.9	9.8	22.0	48,491	31.12.84
216	(214)	Habitat Mothercare	UK	482.9	34	249	571.9	480.6	18.9	46.7	39.1	19.4	27.7	10,959	31.3.85
217	(219)	Laporte Industries	UK	489.6	42	312	309.6	245.5	26.1	60.8	38.6	57.5	33.2	3,597	30.12.84
218	(220)	Dowty Group	UK	482.8	6	243	592.4	515.3	14.9	56.5	46.7	20.9	17.1	15,373	31.12.84
219	(245)	Unigate	UK	479.5	25	88	2,474.0	2,261.4	9.4	81.4	73.1	11.3	18.5	37,100	31.3.85
220	(159)	Svenska Handelsbanken	SWE	477.7	62	—	NR	NR	—	215.6	216.2	−0.2	117.0†	6,056	31.12.84
221	(288)	Smith W. H. and Son	UK	476.9	34	151	1,386.4	1,651.9	—	55.1	55.5	—	23.2	22,082	1.6.85*
222	(176)	Alusuisse	SWI	475.5	8	59	3,245.2	2,808.6	15.5	65.6	(31.8)	—	15.9	35,329	31.12.84*
223	(226)	Rothmans International	UK	474.0	36	102	2,053.7	1,934.3	6.1	156.0	193.5	−19.3	15.6	23,421	31.3.85
224	(231)	Club Mediterranee	FRA	463.4	29	248	574.4	482.4	19.0	35.7	27.6	29.3	20.1	1,646	31.10.84*
225	(201)	Holderbank Management	SWI	456.6	2	160	1,229.6	1,066.8	15.2	96.7	84.0	15.1	10.6	18,545	31.12.84
226	(—)	Enterprise Oil	UK	453.2	51	300	341.4	182.4	—	177.3	83.2	—	46.4	47	31.12.84*
227	(251)	Norsk Data	NOR	448.9	5	338	155.4	100.5	54.6	25.4	16.3	61.9	27.9	2,214	31.12.84
228	(287)	Burmah Oil	UK	446.0	51	92	2,202.9	2,021.8	8.9	89.6	83.0	7.9	16.0	16,449	31.12.84*
229	(236)	Metallgesellschaft	GER	445.8	8	56	3,425.0	3,196.4	7.1	32.7	19.0	72.1	8.2	21,985	30.9.84*
230	(118)	Stora	SWE	445.4	33	196	913.0	644.9	41.5	127.3	77.1	65.1	19.6	9,831	31.12.84
231	(316)	Saatchi and Saatchi	UK	443.7	12	174	1,095.2	772.3	41.8	25.6	14.3	79.0	50.5‡	3,748	30.9.84
232	(212)	Solvay et Cie	BEL	442.5	42	52	3,837.2	3,221.2	12.9	262.4	161.3	62.6	16.4	43,527	31.12.84
233	(192)	Banco de Bilbao	SPA	439.5	62	—	NR	NR	—	112.5	95.3	18.0	26.4†	20,261	31.12.84
234	(222)	United Breweries	DEN	434.8	22	222	712.8	652.9	9.1	60.0	56.2	6.7	20.0	13,250	30.9.84
235	(272)	Lafarge Coppee	FRA	432.5	2	105	2,022.2	1,919.1	5.3	93.1	62.3	49.4	12.4	22,488	31.12.84*
236	(265)	Metal Box	UK	431.4	33	143	1,446.9	1,617.2	−10.5	87.1	89.7	−2.8	19.0	30,306	31.3.85
237	(278)	Booker McConnell	UK	429.5	11	149	1,404.4	1,321.3	6.2	47.1	32.1	46.7	26.2	13,566	31.12.84
238	(—)	Hufvudstaden	SWE	423.7	69	—	NR	NR	—	39.2	12.2	221.3	43.8	107	31.12.84
239	(263)	Rodamco	NET	422.8	69	—	NR	NR	—	26.2	15.6	67.9	6.9†	NA	28.2.85
240	(420)	Bunzl	UK	419.7	33	173	1,097.5	692.1	58.5	35.3	22.1	59.7	32.9	4,892	31.12.84
241	(233)	Pargesa Holding	SWI	417.2	62	—	NR	NR	—	35.5	12.5	184.0	11.2†	NA	30.6.84*
242	(182)	Societe Generale de Belgique	BEL	415.9	11	—	NR	NR	—	31.8	19.1	66.4	7.1†	NA	31.12.84*
243	(228)	BSI	SWI	415.9	62	—	NR	NR	—	13.0	12.6	3.1	NA	1,242	31.12.84*
244	(239)	Inchcape	UK	415.7	91	80	2,670.9	2,230.3	19.7	101.0	67.8	48.9	14.9	47,735	31.12.84
245	(303)	Rheinelektra	GER	415.2	56	336	167.4	148.6	12.6	14.7	14.4	2.0	10.0	2,952	30.6.84*
246	(269)	De La Rue	UK	414.3	12	282	431.4	348.0	23.9	59.4	47.8	24.2	21.8	11,020	31.3.85
247	(217)	Slough Estates	UK	410.4	69	—	NR	NR	—	43.0	25.8	66.6	10.1	327	31.12.84
248	(195)	Berisford S. and W.	UK	409.3	25	26	7,302.1	5,445.0	34.1	102.6	71.1	44.3	18.7	9,182	30.9.84
249	(209)	Perrier Source	FRA	408.2	25	283	431.0	347.0	24.2	32.0	34.5	−7.2	21.3	NA	30.9.84§
250	(207)	Wimpey (George)	UK	408.1	3	110	1,851.4	1,783.6	3.8	48.9	57.6	−15.1	8.8	25,000	31.12.84
251	(—)	Christian Salvesen	UK	403.4	25	308	328.2	269.9	21.6	42.7	33.5	27.4	23.7	6,386	31.3.85*
252	(296)	Bouygues	FRA	402.7	3	153	1,294.7	896.4	40.9	40.9	39.0	4.8	6.0	21,204	31.12.83*
253	(266)	Tate and Lyle	UK	402.3	25	97	2,204.7	2,283.8	−3.4	88.6	73.3	20.8	20.3	11,883	29.9.84
254	(218)	Billerud	SWE	401.2	33	247	579.6	525.6	10.2	85.5	74.4	14.9	20.3	8,062	31.12.84
255	(238)	Skandia Forsakrin	SWE	399.8	66	—	NR	NR	—	11.9	168.8	−92.9	NR	6,065	31.12.84*
256	(183)	Sandvik	SWE	398.7	8	154	1,266.8	1,130.7	12.0	106.1	(87.6)	—	16.9	23,777	31.12.84
257	(202)	RMC Group	UK	397.6	2	138	1,504.3	1,342.5	12.0	104.0	91.6	13.5	23.3	17,089	31.12.84
258	(324)	Italcable	ITA	395.5	4	333	197.0	154.4	27.6	44.6	22.1	101.8	NA	3,367	31.12.84*
259	(210)	Dalgety	UK	395.3	25	34	4,738.7	3,638.9	30.2	85.7	67.2	27.5	18.9	20,174	30.6.84
270	(320)	Bell (Arthur) and Sons	UK	394.4	22	307	328.6	315.8	4.0	45.0	40.0	12.5	23.4	1,989	30.6.84
261	(181)	Union Bank of Finland	FIN	393.7	62	—	NR	NR	—	77.0	66.1	16.4	27.2†	6,599	31.12.84
262	(329)	Nederlandsche Middenstndsbk.	NET	393.2	62	—	NR	NR	—	41.7	42.6	−2.1	10.1†	11,530	31.12.84*
263	(268)	BIC	FRA	391.5	39	231	683.5	581.0	17.6	86.2	54.3	58.7	38.5	12,760	31.12.84
264	(225)	Generale de Banque	BEL	391.4	62	—	NR	NR	—	83.3	100.6	−17.1	14.7†	15,778	31.12.84*
265	(304)	Colonia Versicherung	GER	388.6	66	—	NR	NR	—	18.0	15.0	20.0	NR	4,955	31.12.84*
266	(352)	Pirelli International	SWI	388.0	6	—	NR	NR	—	16.1	13.3	21.0	NA	63,602	30.6.84*
267	(273)	Harris Queensway Group	UK	384.7	34	273	474.2	288.6	64.3	34.9	32.7	6.7	34.6	6,720	24.12.84
268	(246)	London and Scottish Marine Oil	UK	375.6	51	304	337.2	275.9	22.2	144.8	115.1	25.8	29.2	258	31.12.84
269	(421)	Alfa-Laval	SWE	374.9	6	182	999.3	1,044.8	−4.3	44.9	91.1	−50.7	12.8	16,030	31.12.84
270	(185)	Cardo	SWE	369.4	25	305	335.8	316.2	6.1	56.6	69.4	−18.4	15.3	4,625	31.12.84
271	(334)	Alsthom Atlantique	FRA	368.1	6	85	2,541.4	2,329.3	9.1	65.9	79.8	−17.4	9.3	36,423	31.12.84
272	(319)	Gist Brocades	NET	366.8	42	261	505.9	452.6	11.8	33.9	25.0	35.6	12.7	6,352	31.12.84
273	(383)	Elsevier-NDU	NET	361.7	32	287	413.7	383.8	7.7	32.2	22.1	45.7	24.5	6,840	31.12.84§
274	(161)	Kansallis-Osake-Pankki	FIN	360.6	62	—	NR	NR	—	81.8	45.2	80.9	23.4†	8,178	31.12.84*
275	(276)	Kwik Save Discount Group	UK	358.3	26	209	790.0	685.5	15.2	40.7	35.0	16.2	37.5	5,694	25.8.84
276	(242)	Berliner Kraft und Licht	GER	357.9	55	229	686.8	651.4	5.4	54.9	27.9	96.7	3.6	6,488	30.6.84*
277	(261)	Rentokil Group	UK	356.4	12	334	193.8	160.1	21.0	31.7	26.3	20.5	46.3	7,436	31.12.84
278	(408)	Associated Newspapers	UK	354.1	32	277	458.1	378.2	21.1	27.7	21.1	31.2	18.2	11,118	30.9.84
279	(338)	Taylor Woodrow	UK	353.9	3	202	863.7	739.0	16.8	54.4	45.9	18.5	11.9	11,130	31.12.84
280	(—)	Hillsdown Holdings	UK	353.6	25	157	1,258.8	729.4	72.5	24.1	14.7	63.9	16.4	14,069	31.12.84*
281	(368)	Lucas Industries	UK	353.0	9	114	1,788.8	1,558.0	14.8	41.7	2.6	1,452.3	7.9	66,486	31.7.84
282	(306)	Costain Group	UK	352.3	3	175	1,083.2	925.7	17.0	69.5	59.4	17.0	18.4	4,715	31.12.84*
283	(300)	Kleinwort Benson Lonsdale	UK	348.6	68	—	NR	NR	—	38.7	27.7	39.7	NR	1,121	31.12.84*
284	(424)	Rinascente	ITA	348.6	34	189	957.2	840.7	13.8	36.1	28.1	28.4	10.4	13,146	31.12.84
285	(211)	Heidelberger Zement	GER	348.0	2	314	304.8	310.0	−1.6	45.3	50.8	−10.8	17.7	2,790	31.12.84
286	(262)	Essilor	FRA	346.3	27	313	306.9	262.6	16.8	38.9	33.6	15.7	29.2	9,009	31.12.84
287	(237)	Electrocomponents	UK	345.8	5	329	209.9	165.5	26.8	37.9	28.4	33.4	55.8	1,926	31.3.85
288	(312)	Esselte	SWE	345.1	44	186	978.7	889.7	10.0	70.0	57.2	22.3	24.8	15,770	31.12.84
289	(235)	European Ferries	UK	343.4	45	290	396.1	413.4	−4.1	57.2	58.1	−1.5	12.7	7,873	31.12.84
290	(350)	Stock Conversion	UK	338.4	69	—	NR	NR	—	26.3	22.2	18.4	8.1	157	31.3.85
291	(302)	BHF Bank	GER	336.3	62	—	NR	NR	—	46.8	42.7	9.6	27.6†	1,947	31.12.84*
292	(353)	SAI	ITA	335.5	66	—	NR	NR	—	17.2	13.2	30.3	NR	2,656	31.12.84*
293	(—)	Bongrain	FRA	332.4	25	254	546.8	478.4	14.2	50.5	47.1	7.2	NA	5,756	31.12.84¶
294	(—)	De Danske Sukkerfabrikker	DEN	330.7	25	218	731.3	684.5	6.8	44.2	41.3	7.0	16.9	10,233	30.4.84
295	(332)	Toro Assicurazioni	ITA	330.2	66	—	NR	NR	—	15.2	5.6	171.4	NR	NA	31.12.83*
296	(294)	HEW	GER	328.3	55	203	836.6	776.8	7.8	62.0	35.6	74.1	3.0	5,746	31.12.84*
297	(305)	Hill Samuel Group	UK	328.2	68	—	NR	NR	—	40.8	32.3	26.3	NR	3,950	31.3.85*
298	(484)	Hepworth J. and Son	UK	328.0	34	343	138.6	126.2	9.8	17.4	11.0	58.1	11.9	3,482	31.8.84
299	(323)	IMI	UK	327.0	8	191	944.8	865.9	9.1	57.7	40.4	42.8	16.3	20,544	31.12.84
300	(440)	Pirelli	ITA	327.0	9	—	NR	NR	—	17.4	12.1	—	9.2	63,602	30.6.84*

FOOTNOTES TO COMPANIES LISTED ON THIS PAGE

2 British Telecom, SE Listing November 1984. Market Cap is notional figure based on part-paid share price. 3 British Petroleum, turnover excludes duty and sales taxes. ROCE equivalent to 36.5 per cent before deducting production taxes. 6 Union Bank of Switzerland, parent company accounts. 10 Allianz Versicherung, accounts exclude Allianz Lebens. 15 Swiss Bank Corp, parent company accounts. 18 Ciba-Geigy, profit is net of tax. 21 Credit Suisse, ROCE calculated on pre-tax profit after interest. 26 Generali Assicurazioni, parent company accounts. 32 Hoffman La Roche and Co, profit is net of tax. ROCE calculation not available as tax not known. 36 Fiat, ROCE calculated using net interest. 39 Great Universal Stores, preliminary results. ROCE calculated on pre-tax profit after interest. 44 Zurich Insurance, parent company accounts. Emp=1983. 49 BMW, domestic consolidation. 50 Imperial Group, turnover includes duties. 51 Sandoz, profit is net of tax and minority interest. ROCE calculation based this figure plus interest. 63 Trafalgar House, turnover includes inter-company sales and share of associates. 64 Associated Dairies, figures exclude MFI Group acquired May 14 1985. 67 Distillers Company, turnover excludes excise duty of $438.0m ($419.1m). 69 Britoil, turnover excludes sales of petroleum purchased from third parties. 72 Trust House Forte, turnover includes property disposals of $22.0m ($62.6m). 79 Asea, GAAP figures used. 81 Swiss RE, consolidated accounts not yet available for 1984. 82 Algemene Bank Nederland, profit is after provision for general contingencies. 84 Sun Alliance and London Insurance, Emp=UK. 90 Commercial Union Assurance, Emp=UK average. 102 Mediobanca, parent company accounts. 107 Standard Chartered, formerly Standard Chartered Bank. 108 Standard Telephone and Cables, figures prepared in accordance with merger accounting principles following acquisition of ICL, September 20 1984. ROCE calculated assuming merger effective at beginning of year. 115 Amro Bank, profit is after provision for general contingencies. 119 United Biscuits, turnover is after deducting trade discounts. 123 Dixons Group, figures include Currys for 21 weeks to April 1985. 128 Abbey Life, SE listing June 1985. Profit is net of tax and includes transfer from Life Fund of $11.5m. 129 Hammerson Property Investment and Development Corporation. 132 Woolworth Holdings, this year's figures for 53 weeks to February 2 1985. Profit is after exceptional items. 140 Electrowatt, turnover is consolidated but pre-tax profit, capital employed and ROCE are for parent company. 141 Total, formerly Compagnie Francaise des Petroles. 145 Sanofi, ROCE calculated using net interest. 146 Swissair, parent company accounts. 147 Nordwestdeutsche Kraftwerke, parent company accounts. Previous year's figures for 15 month period to December 31 1983. 153 Swiss Volksbank, parent company accounts. 156 Brown Boveri, parent company accounts. 159 RAS, profit is net of tax. 163 KLM, profit=net income. 165 Iberduero, Emp=1983. 167 Northern Foods, previous year's figures are pro-forma accounts covering 12 month period for comparative purposes. Audited figures cover 18 months to March 31 1984. 170 Banco Central, parent company accounts. 171 Linde, turnover=world sales, profit=domestic consolidation. 172 Banco Espanol de Credito, parent company accounts. ROCE calculated using pre-tax profit after interest. 173 Ebes, parent company accounts. 179 Jaguar, SE listing August 1984. 181 Isar Amperwerke, parent company accounts. 186 Beiersdorf, domestic consolidation. 188 Bank Leu, parent company accounts. 200 Ranks Hovis McDougal, previous year's turnover includes $627.4m in respect of agricultural division, sold September 3 1983. 202 Pearl Assurance, profit is net of tax. 203 Rothschild J. Holdings, formerly Charterhouse J. Rothschild —incorporated November 25 1983. Figures are for 15 months and prepared in accordance with merger accounting principles. 207 Credit Foncier de France, parent company accounts. 213 Smiths Industries, this year's figures for 53 weeks ended August 4 1984. 214 Landis and Gyr, profit is net of tax but before minority interest. ROCE calculation based on pre-tax profit as interest not shown separately. 221 Smith W. H. and Sons, previous year's figures for 70 weeks to June 2 1984. 222 Alusuisse, profit is net of tax. 224 Club Mediterranee, Emp=1983 parent company figures. 226 Enterprise Oil, SE listing June 1984. Previous year's figures for eight months to December 31 1983. 228 Burmah Oil, turnover excludes duties and taxes. 229 Metallgesellschaft, domestic consolidation. 235 Lafarge Coppee, profit is after pre-acquisition earnings of subsidiaries. ROCE calculated using net interest. 241 Pargesa Holding, parent company accounts. 242 Societe Generale de Belgique, parent company accounts. 243 BSI, profit is net of tax. 245 Rheinelektra, parent company accounts. 251 Christian Salvesen, SE listing June 1985. 252 Bouygues, profit includes minority interest and current and deferred tax. 255 Skandia Forsakrin, figures for non-life group. 258 Italcable, Emp=1983. 262 Nederlandsche Middenstandsbank, ROCE calculated using pre-tax profit after interest. 264 Generale de Banque, formerly Societe Generale de Banque. 265 Colonia Versicherung, parent company accounts. 266 Pirelli International, profit is net of tax. 274 Kansallis-Osake-Pankki, profit is before provisions. 276 Berliner Kraft und Licht, parent company accounts. 280 Hillsdown Holdings, SE listing February 1985. 282 Costain Group, turnover includes associated company turnover. 283 Kleinwort Benson Lonsdale, profit is net of tax. 291 BHF Bank, Emp=1983. 292 SAI, parent company accounts. 295 Toro Assicurazioni, profit is net of tax. 296 Hamburgische Electricitas-Werke (HEW). 297 Hill Samuel Group, profit is before extraordinary items but net of tax. Emp=UK average. 299 Pirelli, previous year's figures for 14 month period to June 30 1983. Profit is net of tax.

* See footnotes. † ROCE calculated on Shareholders' Funds. ‡ ROCE calculated on Capital Employed at year-end. § Previous year's figures adjusted for accounting changes. ¶ Companies omitted from previous lists due to oversights.

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Ranking 1985	(1984)	Company	Country	Market capital $m	Sector	Ranking	Turnover this year $m	Turnover last year $m	% change	Profit this year $m	Profit last year $m	% change	ROCE	Employees	Year end
301	(290)	Altana	GER	322.3	42	284	430.9	502.7	−14.2	24.0	21.3	12.6	14.5	7,330	31.12.84*
302	(—)	British Printing and Com. Cpn.	UK	320.8	32	301	341.2	295.5	15.4	48.5	28.2	71.9	28.5	7,393	31.12.84
303	(418)	Electra de Viesgo	SPA	320.8	55	346	132.6	145.9	−9.3	17.1	13.0	31.5	5.9	863	31.12.84*
304	(301)	Continental Gummi-Werke	GER	319.1	9	167	1,153.7	1,105.8	4.3	36.0	39.5	−8.8	12.3	26,401	31.12.84
305	(275)	Lyonnaise des Eaux	FRA	316.1	55	145	1,446.1	1,240.1	16.6	46.5	45.8	1.5	7.6	4,142	31.12.84
306	(—)	Sydkraft	SWE	315.8	55	278	452.8	403.3	12.2	62.4	59.2	5.4	11.7	2,909	31.12.84¶
307	(345)	Dawson International	UK	314.0	35	302	340.0	229.4	48.2	4.9	32.3	39.0	33.3	9,112	31.3.85
308	(396)	Vickers	UK	313.4	6	233	677.0	838.9	−19.2	39.4	34.9	58.2	12.8	15,403	31.12.84
309	(385)	Fleet Holdings	UK	311.2	32	286	415.4	364.6	8.0	28.2	12.1	133.0	37.1	7,852	30.6.84
310	(291)	Generale Occidentale	FRA	310.8	26	66	2,579.9	2,936.4	−12.1	30.1	55.2	−45.5	NA	25,000	31.3.85
311	(260)	Horten	GER	310.1	34	205	815.5	834.8	−2.3	15.3	24.1	−36.5	6.7	17,630*	28.2.85
312	(310)	Banco de Vizcaya	SPA	307.0	62	—	NR	NR	—	83.7	72.7	15.1	44.6/	9,884*	31.12.84
313	(449)	Delhaize	BEL	305.3	25	77	2,741.7	2,243.1	22.2	73.0	63.7	14.5	29.2	9,781	31.12.84
314	(280)	Bank of Ireland	IRE	304.7	62	—	NR	NR	—	53.8	71.6	−24.8	18.3†	8,608	31.3.85
315	(315)	Matra	FRA	304.1	4	140	1,470.7	1,083.1	35.7	(13.6)	7.2	—	7.4	5,948	31.12.84
316	(253)	Magnet and Southerns	UK	302.4	2	317	281.5	248.3	13.3	36.1	41.1	−12.1	16.2	5,310	31.3.85
317	(401)	Telemecanique	FRA	302.3	5	256	533.5	451.4	18.1	35.3	22.9	54.1	22.7	8,492	31.12.84
318	(357)	FECSA	SPA	301.9	55	235	656.5	579.0	13.3	44.0	43.6	0.9	3.8	6,573*	31.12.84
319	(189)	Banco Hispano	SPA	301.8	62	—	NR	NR	—	0.6	77.8	−99.2	0.1†	16,408*	31.12.84
320	(281)	Kredietbank	BEL	300.3	62	—	NR	NR	—	37.1	30.9	20.0	NA	9,002	31.3.85
321	(404)	Equity and Law Life Ass Soc	UK	299.4	65	—	NR	NR	—	7.1	5.7	24.5	NR	1,621	31.12.84*
322	(321)	Hoogovens	NET	298.8	8	98	2,102.2	1,751.5	20.0	103.6	(25.5)	—	13.6	28,039	31.12.84
323	(469)	Chargeurs	FRA	297.9	45	155	1,285.5	1,204.5	6.0	56.6	28.1	97.8	13.5	NA	31.12.84
324	(184)	Groupe Bruxelles Lambert	BEL	295.6	70	—	NR	NR	—	131.7	53.3	147.0	45.3†	NA	31.12.84
325	(283)	Hachette	FRA	293.2	32	168	1,146.5	968.4	18.3	57.0	67.4	−15.4	28.2	12,400	31.12.84
326	(364)	Sefimeg	FRA	292.9	3	—	NA	NA	—	NA	NA	—	NA	NA	31.12.84*
327	(326)	Union Electrica-Fenosa	SPA	291.4	55	198	903.9	739.5	22.2	49.6	48.4	2.4	4.6	7,444	31.12.84*
328	(149)	Bowater Industries	UK	290.5	33	124	1,621.5	1,381.3	17.3	45.7	35.3	29.4	15.1	25,200	31.12.84*
329	(403)	Schindler Holding	SWI	288.8	6	215	760.1	702.8	8.1	34.9	34.3	1.7	10.5	22,220	31.12.84*
330	(348)	Jelmoli	SWI	287.9	34	259	518.2	497.1	4.2	12.3	12.9	−4.6	NA	NA	31.12.84*
331	(293)	Banque Cantonale Vaudoise	SWI	286.2	62	—	NR	NR	—	19.6	18.1	8.2	12.3†	1,478	31.12.84*
332	(224)	AGA	SWE	281.9	42	240	636.1	601.2	5.8	76.8	52.8	45.4	20.6	10,422	31.12.84
333	(429)	Baloise Insurance	SWI	280.7	66	—	NR	NR	—	4.1	3.6	13.8	NR	NA	31.5.85*
334	(252)	Unerg	BEL	279.9	55	232	679.6	627.2	8.3	50.3	37.6	33.7	12.4	3,844	31.12.84*
335	(366)	Ahold	NET	278.5	26	63	3,070.7	2,712.3	13.2	42.9	42.0	2.1	13.8	47,052	29.12.84
336	(257)	Atlas Copco	SWE	278.2	6	180	1,027.8	914.0	12.4	64.9	(0.9)	—	17.7	16,484	31.12.84§
337	(293)	Baden-Wurttembergische Bank	GER	275.1	62	—	NR	NR	—	22.7	21.4	6.0	17.6†	1,926	31.12.84
338	(410)	Helvetia-Feuer/Unfall	SWI	275.1	66	—	NR	NR	—	17.1	13.6	26.6	NR	3,861	31.12.84*
339	(—)	SniaBPD	ITA	274.7	11	201	872.2	783.4	11.3	18.6	(11.1)	—	NA	14,230	31.12.83
340	(388)	Savoy Hotel	UK	273.2	29	361	66.3	55.4	19.6	10.3	5.6	83.9	26.9	2,724	31.12.84
341	(—)	Industrivarden	SWE	272.8	11	306	332.8	359.6	−7.4	35.4	37.4	−5.3	15.4	5,275	31.12.84¶
342	(372)	Avana Group	UK	272.3	25	325	247.8	228.0	8.6	24.1	21.3	13.1	30.0	4,840	30.3.85
343	(297)	Harpener	GER	272.0	11	350	101.5	102.4	−0.8	20.0	16.9	18.3	16.1	331	31.12.84*
344	(—)	Uddeholms	SWE	270.9	8	321	267.4	437.0	−38.8	155.7	(8.5)	—	56.2	2,964	31.12.84¶
345	(492)	Baer Holding	SWI	270.7	62	—	NR	NR	—	5.1	4.3	18.6	11.9†	NA	31.12.84*
346	(374)	Polly Peck International	UK	270.2	91	335	175.6	107.8	62.8	64.7	38.4	68.4	96.9	887	1.9.84*
347	(—)	Korsnas Marma	SWE	269.9	33	319	273.5	239.8	14.0	81.5	46.4	75.6	23.7	4,588	31.8.84¶
348	(362)	Gotthard Bank	SWI	269.8	62	—	NR	NR	—	14.3	13.8	3.6	11.0†	557	31.12.84*
349	(307)	KKB Bank	GER	269.0	62	—	NR	NR	—	32.9	35.0	−6.0	30.0†	3,395	31.12.84*
350	(334)	Sulzer	SWI	269.0	6	119	1,844.6	1,619.4	1.5	(7.0)	(39.6)	—	NA	30,040	31.12.84*
351	(289)	Holzmann Philip	GER	265.6	3	156	1,263.8	1,315.6	−3.9	45.3	58.8	−22.9	9.3	35,700	31.12.84
352	(326)	Vereins und Westbank	GER	265.6	62	—	NR	NR	—	23.6	18.5	27.5	16.0	4,292	31.12.84
353	(389)	Caledonia Investments	UK	264.0	70	367	12.1	12.2	−0.8	6.4	7.5	12.0	3.3	278	31.3.85
354	(265)	Deutsche Babcock	GER	262.8	6	97	2,105.9	2,312.7	−8.9	20.9	17.3	20.8	5.5	22,515	30.9.84
355	(296)	Allied Colloids Group	UK	261.2	42	347	130.7	105.8	23.6	24.7	23.2	6.0	41.9	1,497	31.3.85
356	(361)	Hoesch	GER	261.0	8	89	2,367.4	2,199.0	7.6	36.5	175.9	−79.2	5.2	33,500	31.12.84
357	(—)	Carlton Communications	UK	260.1	29	365	27.6	19.5	41.5	7.0	4.4	59.0	54.1	404	30.9.84§
358	(198)	Nokia	FIN	259.7	11	141	1,470.7	1,091.6	34.7	72.4	65.3	10.8	17.8	27,874	31.12.84
359	(344)	Banque Bruxelles Lambert	BEL	257.0	62	—	NR	NR	—	27.4	28.9	−5.1	8.8†	11,943	30.9.84
360	(292)	Great Portland Estates	UK	256.2	69	—	NR	NR	—	21.5	19.2	11.9	6.1	NA	31.3.85*
361	(495)	United Newspapers	UK	255.5	32	330	208.3	144.8	43.8	23.9	11.3	111.5	36.3	6,566	31.12.84*
362	(425)	Coalite Group	UK	254.2	42	241	597.6	565.6	5.6	42.8	41.6	2.8	24.7	5,935	31.3.85
363	(379)	Accor International	FRA	252.3	29	179	1,056.1	870.7	21.2	30.5	25.5	19.6	16.0	44,000	31.12.84
364	(358)	Nottingham Manufacturing	UK	251.2	35	316	284.3	264.6	7.4	27.5	31.4	−12.4	16.4	13,486	31.12.84
365	(462)	Delta Group	UK	249.4	6	216	756.6	656.5	15.0	58.5	40.7	43.7	21.4	17,650	29.12.84
366	(—)	Ward White Group	UK	248.6	34	311	313.1	229.7	36.3	18.3	11.2	63.3	27.0	7,639	31.1.85
367	(314)	Casino	FRA	248.1	26	104	2,028.0	1,791.6	13.1	35.5	39.7	−10.5	16.9	28,046	31.12.84§*
368	(387)	Greenall Whitley and Co	UK	247.6	22	296	367.9	331.2	11.0	38.2	30.7	17.9	12.9	5,350	28.9.84
369	(347)	Brown Boveri Man.	GER	247.0	4	128	1,572.1	1,615.6	−2.6	35.6	36.4	−2.1	5.7	36,050	31.12.84
370	(339)	Contigas	GER	246.9	55	355	85.4	54.1	57.8	16.2	13.6	19.1	9.5	433	30.9.84*
371	(298)	Autopistas del Mare	SPA	246.2	55	358	75.2	56.8	32.3	9.7	8.1	19.7	1.2	771	31.12.84*
372	(333)	Royale Belge	BEL	246.1	66	—	NR	NR	—	38.1	35.9	6.1	NR	2,483	31.12.84
373	(270)	Den Danske Bank	DEN	245.6	62	—	NR	NR	—	51.4	256.8	−79.9	11.9†	5,569	31.12.84*
374	(317)	Wereldhave	NET	245.3	69	—	NR	NR	—	14.7	12.2	20.4	7.5	NA	31.12.84
375	(363)	Rutgerswerke	GER	244.5	42	178	1,067.8	874.9	20.9	36.1	14.9	102.0	9.5	11,436	31.12.84
376	(478)	Oce-Van der Grinten	NET	243.9	44	244	590.0	528.6	11.6	27.9	23.2	20.2	12.5	11,253	30.11.84
377	(282)	Charter Consolidated	UK	243.6	10	188	966.0	786.2	22.8	21.1	47.3	−55.3	5.9	21,422	31.3.85
378	(430)	Bejam Group	UK	243.1	26	291	387.9	331.8	16.9	20.8	15.8	31.6	37.8	2,583	30.6.84
379	(271)	Allied Irish Banks	IRE	243.0	62	—	NR	NR	—	85.8	87.2	−1.6	27.8†	9,100	31.3.85*
380	(370)	Union Credit Batiment	FRA	242.9	70	—	NR	NR	—	52.9	48.2	9.7	23.4†	2,129	31.12.84*
381	(285)	Hepworth Ceramic Holdings	UK	241.7	2	267	483.6	433.5	11.5	45.0	42.8	5.1	18.6	8,088	31.12.84
382	(—)	Sonnesons	SWE	240.8	11	268	482.3	336.1	43.4	45.2	22.5	100.8	28.1	8,356	31.12.84¶
383	(433)	Heath C. E.	UK	239.1	67	—	NR	NR	—	38.5	24.4	57.7	45.3	1,788	31.3.85
384	(453)	Darty	FRA	238.7	4	280	445.6	414.5	7.5	28.2	22.2	18.0	36.2	4,966	28.2.85
385	(411)	Kali-Chemie	GER	238.6	42	258	521.2	459.3	13.4	24.6	19.7	24.8	18.2	6,780	31.12.84*
386	(397)	CIT-Alcatel	FRA	238.4	5	132	1,549.0	1,402.0	10.4	29.8	36.5	−18.3	14.8	35,000	31.12.84
387	(405)	Industriekreditbank	GER	238.4	62	—	NR	NR	—	28.5	31.0	−8.0	16.0	601	31.3.85*
388	(330)	Tricentrol	UK	237.1	51	339	154.0	156.2	−1.4	50.3	55.9	−10.0	14.9	218	31.12.84*
389	(395)	Steetley	UK	237.0	10	255	538.5	492.5	9.3	41.8	29.7	40.7	18.7	6,473	31.12.84*
390	(311)	Mercury Securities	UK	236.3	68	—	NR	NR	—	36.7	27.2	34.9	NR	1,168	31.3.85*
391	(—)	Saba JS	SWE	235.6	34	100	2,081.6	1,942.0	7.1	27.2	26.8	1.4	13.8	18,933	31.12.84¶
392	(426)	Ball Investissement	FRA	234.2	69	—	NR	NR	—	15.2	14.0	8.5	32.9†	32	31.12.84
393	(309)	Mercantile House Holdings	UK	232.3	70	—	NR	NR	—	66.8	72.8	−8.2	210.8	4,843	30.4.85
394	(327)	Northern Engineering Inds.	UK	232.2	6	169	1,130.7	1,117.5	1.1	51.3	56.0	−8.3	15.3	29,937	31.12.84§
395	(441)	Ocean Transport and Trading	UK	231.2	45	183	998.4	844.6	18.2	36.7	9.2	298.6	15.5	7,578	31.12.84
396	(480)	Dalmine	ITA	230.6	8	251	565.9	489.8	15.5	2.6	(4.0)	—	9.0	10,503	31.12.84
397	(390)	Gevaert Photo	BEL	230.3	42	—	NR	NR	—	18.2	14.1	29.0	11.8†	NA	31.12.84
398	(355)	Legrand	FRA	229.4	4	297	364.8	343.5	6.2	27.5	26.1	5.3	17.5	11,500	31.12.84
399	(340)	Aar et Tessin	SWI	229.2	55	310	313.9	260.2	20.6	11.2	10.7	4.6	NA	NA	31.3.84
400	(467)	London and Manchester Group	UK	228.6	65	—	NR	NR	—	7.4	6.0	23.3	NR	1,960	31.12.84*
401	(279)	Farnell Electronics	UK	225.3	5	352	93.0	74.6	24.6	25.9	20.2	28.2	57.3	1,587	3.2.85*
402	(431)	Foseco Minsep	UK	225.2	42	245	486.8	481.9	21.7	44.1	26.3	67.6	22.6	10,300	31.12.84
403	(461)	UIS	FRA	225.0	68	—	NR	NR	—	13.3	14.1	−5.6	NA	NA	31.12.84*
404	(359)	Lech-Elektrizitatswerke	GER	224.9	55	303	337.7	297.8	13.3	33.4	27.7	20.5	5.4	1,740	30.6.84*
405	(400)	Sofina	BEL	221.8	55	298	357.9	327.4	9.3	13.3	12.7	4.7	9.9	34	31.12.84*
406	(342)	Copenhagen Handelsbank	DEN	220.5	62	—	NR	NR	—	54.7	205.6	−73.3	12.8†	6,089	31.12.84*
407	(375)	Babcock International	UK	219.3	6	144	1,446.6	1,301.2	11.1	40.4	43.6	−7.3	12.9	24,918	30.12.84
408	(308)	Dortmunder Union	GER	218.6	22	295	376.6	391.2	−3.9	15.6	18.3	−14.7	7.2	5,851	31.12.84
409	(466)	Amersham International	UK	218.3	27	344	138.5	112.1	23.5	21.8	17.5	24.5	33.1	2,498	31.3.85
410	(—)	Papyrus	SWE	216.9	33	276	459.5	405.7	13.2	79.1	71.9	10.0	24.1	5,208	31.12.84
411	(381)	Marley	UK	215.8	2	221	714.2	641.3	11.3	42.3	36.1	17.1	17.5	11,902	31.12.84
412	(—)	Holmen	SWE	215.3	33	294	380.7	336.9	13.0	32.6	32.9	−0.9	15.9	3,623	31.12.84
413	(341)	Flachglas	GER	214.9	2	285	420.4	412.9	1.8	26.6	22.6	17.6	9.6	9,898	31.12.84
414	(447)	Eridania	ITA	214.5	25	292	387.7	368.0	5.3	27.9	15.4	81.1	12.4	1,996	31.12.84*
415	(392)	Banco Popular	SPA	213.9	62	—	NR	NR	—	69.3	60.2	15.1	20.5†	8,252	31.12.84§
416	(481)	Glynwed International	UK	212.2	8	234	658.2	623.8	5.5	33.9	27.1	25.0	17.3	13,919	29.12.84
417	(413)	Capital and Counties Prop	UK	211.2	69	—	NR	NR	—	12.8	13.4	−4.4	6.1	487	25.3.85
418	(450)	Transport Development Group	UK	210.8	45	253	556.5	470.8	18.2	30.8	25.8	14.9	16.2	12,005	31.12.84
419	(365)	Electrobel	BEL	210.0	3	—	NR	NR	—	32.5	23.7	37.1	23.0†	NA	31.12.84*
420	(—)	Ciga Hotels	ITA	206.6	29	351	97.7	79.5	22.8	8.7	4.1	112.1	6.0	2,158	31.10.84
421	(414)	Auxiliere d'Enterprises	FRA	206.0	3	122	1,632.9	1,361.8	19.9	32.4	41.3	−21.5	5.9	21,911	31.12.84
422	(419)	Powell Duffryn	UK	203.9	11	223	709.3	682.7	3.8	26.3	23.4	12.3	15.6	9,783	31.3.85
423	(—)	Mount Charlotte Investments	UK	203.8	29	362	55.9	35.4	57.9	12.8	5.8	120.6	17.8	2,644	30.12.84
424	(—)	Nobel Industries	SWE	202.6	42	208	795.0	494.1	60.8	4.4	11.5	−61.7	3.5‡	16,807	31.12.84*
425	(373)	London Merchant Securities	UK	202.5	69	—	NR	NR	—	21.1	16.7	26.3	7.8	87	31.3.85
426	(—)	PWA	GER	202.4	33	187	970.6	854.0	13.6	34.3	(0.1)	—	13.9	9,758	31.12.84
427	(453)	Dumez	FRA	202.1	3	349	107.0	70.3	52.2	19.2	12.5	53.6	27.1	25,000	31.12.84*
428	(—)	CFAO	FRA	201.3	11	158	1,258.4	1,201.6	4.7	43.2	38.2	13.0	20.6	162	31.12.84*
429	(380)	Boliden	SWE	201.2	8	239	643.4	596.5	7.8	43.1	49.1	−12.2	13.8	8,841	31.12.84
430	(497)	Sevillana de Electric	SPA	200.9	55	227	702.1	633.4	10.8	27.8	27.3	1.8	10.9	6,423	31.12.84*
431	(—)	AMEC	UK	200.5	3	200	879.2	915.8	−3.9	34.6	33.4	3.5	27.2	18,451	31.12.84
432	(446)	Wolseley Hughes	UK	200.5	11	250	570.0	459.2	24.1	33.1	20.2	63.8	25.6	4,759	31.12.84
433	(402)	Lahmeyer	GER	200.3	56	383	51.3	60.8	−15.6	11.3	12.0	−5.8	8.8	533	30.6.84*
434	(—)	Refuge Group	UK	200.0	65	—	NR	NR	—	8.0	7.1	12.6	NR	3,581	31.12.84*
435	(—)	Vantona Viyella	UK	199.8	35	264	492.7	393.4	25.2	27.0	15.3	76.4	20.6	18,754	30.11.84
436	(407)	Norcros	UK	199.6	10	270	480.0	446.3	7.5	43.9	42.2	4.0	23.8	11,962	31.3.85
437	(—)	Britannic Assurance	UK	198.5	65	—	NR	NR	—	7.0	5.8	20.6	NR	4,416	31.12.84*
438	(494)	Cement-Roadstone	IRE	198.3	2	266	486.8	464.0	4.9	20.5	9.3	120.4	9.4	6,935	31.12.84
439	(—)	Scapa Group	UK	197.5	35	327	215.7	161.0	33.9	35.4	24.1	46.8	32.0	4,786	31.3.85
440	(—)	Compagnie Industrali Riunite	ITA	197.0	11	337	169.9	156.0	8.9	23.5	20.7	13.5	NA	3,083	31.12.84
441	(351)	Smurfit Jefferson Group	IRE	196.6	23	199	903.3	701.2	28.8	52.1	25.2	106.7	15.6	12,119	31.1.85§
442	(232)	Lex Service Group	UK	196.5	9	135	1,532.5	1,138.3	34.8	69.9	49.0	22.2	27.8	9,138	30.12.84
443	(423)	Hambros	UK	195.5	68	—	NR	NR	—	16.3	13.0	25.3	NR	1,406	31.3.85*
444	(264)	Wartsila	FIN	195.3	6	184	980.9	851.5	15.1	99.6	77.4	28.6	21.0	18,096	31.12.84
445	(—)	Pleasurama	UK	194.7	29	342	138.9	42.7	—	32.3	17.1	—	37.2	4,566	30.12.84*
446	(331)	Pohjola Group	FIN	194.5	66	—	NR	NR	—	18.0	10.5	71.4	NR	3,497	31.12.84*
447	(—)	Freemans	UK	194.2	34	288	406.9	360.9	12.7	28.1	18.0	56.1	23.7	5,214	28.1.85
448	(336)	Tractionel	BEL	194.2	6	359	69.9	63.3	10.4	28.9	25.1	15.1	18.5	1,284	31.12.84*
449	(—)	LRC International	UK	193.3	27	324	250.9	204.0	22.9	24.0	19.2	25.0	33.9	8,744	31.3.85
450	(439)	TI Group	UK	192.8	6	159	1,243.5	1,170.6	6.2	24.3	20.8	16.8	12.2	29,000	31.12.84
451	(354)	Promodes	FRA	192.1	26	71	2,887.5	2,125.0	35.8	32.3	32.4	−0.3	25.8	5,993	31.12.84
452	(377)	Martell	FRA	191.8	22	328	213.8	163.5	30.7	20.7	9.0	130.0	23.8	794	30.6.84
453	(438)	Banco Exterior	SPA	189.8	62	—	NR	NR	—	29.5	25.6	15.2	11.6†	9,027	31.12.84*
454	(415)	Laing Properties	UK	189.6	69	—	NR	NR	—	15.9	14.2	19.0	7.7	511	31.12.84
455	(—)	Tootal Group	UK	188.3	35	252	567.4	495.9	12.4	29.3	22.0	33.1	16.4	13,901	31.1.85
456	(457)	Rugby Portland Cement	UK	187.4	2	322	258.0	215.1	19.0	36.5	30.9	14.8	16.3	3,236	31.12.84
457	(—)	Fermenta	SWE	186.3	42	364	45.5	14.6	211.6	8.5	0.5	1,600.0	57.8	358	31.12.84*
458	(343)	Swedish Match	SWE	185.6	33	171	1,104.0	964.6	15.6	99.2	47.4	109.2	27.3	25,900	31.12.84
459	(—)	Centrale LA	ITA	185.5	70	—	NR	NR	—	23.4	(31.0)	—	NA	177	30.9.84
460	(—)	Kosmos	NOR	185.1	45	315	290.5	211.2	37.5	16.5	20.0	−22.5	14.7	3,500	31.12.84
461	(—)	Pentland Industries	UK	184.6	35	340	147.6	65.9	123.9	16.5	2.1	658.8	180.3	888	31.12.84
462	(443)	Croda International	UK	184.1	42	265	491.0	436.7	12.4	25.8	22.5	13.7	20.1	6,633	30.12.84
463	(453)	British Land	UK	183.6	69	—	NR	NR	—	15.1	11.5	31.3	7.8	1,211	31.3.85
464	(489)	Institut Merieux	FRA	183.3	27	331	203.3	169.9	19.6	17.3	12.4	39.5	26.7	3,713	31.12.84
465	(—)	Fitch Lovell	UK	183.0	26	242	593.0	603.5	−1.7	20.8	20.6	0.9	21.7	6,672	27.4.85
466	(—)	Case Group	UK	182.8	5	348	121.7	79.5	53.0	13.4	9.2	45.6	32.1	1,545	31.3.85*
467	(—)	Hafnia	DEN	181.0	66	—	NR	NR	—	11.7	20.2	−42.0	NR	NA	31.12.84
468	(—)	DRG	UK	180.1	33	212	775.5	695.7	11.4	33.2	20.6	61.1	21.6	12,254	31.12.84
469	(483)	Bekaert	BEL	180.1	11	214	772.4	592.2	30.4	68.9	38.8	77.5	26.9	7,615	31.12.84
470	(432)	AGIV	GER	179.6	11	366	24.1	23.4	2.9	11.5	9.5	21.0	11.9	NA	31.12.84
471	(—)	Asken	SWE	179.2	11	353	90.6	128.2	−29.3	17.0	23.3	−27.0	44.0	1,469	31.12.84
472	(—)	Ciments Francais	FRA	178.9	2	263	495.2	443.8	11.5	33.1	24.8	33.4	16.1	3,226	31.12.84
473	(—)	Storebrand-Norden	NOR	178.6	66	—	NR	NR	—	21.6	24.4	−11.4	NR	3,532	31.12.84
474	(448)	Bowthorpe Holdings	UK	178.4	5	341	144.0	111.6	29.0	26.7	19.4	37.6	37.0	2,905	31.12.84
475	(349)	Cobepa	BEL	178.0	70	—	NR	NR	—	19.1	19.9	−4.0	13.4†	NA	31.12.84*
476	(—)	Menzies John (Holdings)	UK	177.8	34	238	646.9	590.5	9.5	21.8	16.8	28.9	29.5	8,913	2.2.85
477	(434)	Kraftwerk Laufenburg	SWI	177.3	55	357	80.9	75.9	6.5	4.4	4.3	2.3	NA	367	31.12.84*
478	(427)	Telephone Rentals	UK	176.9	44	354	86.5	73.7	17.3	18.8	18.1	3.8	21.0	2,188	31.12.84
479	(—)	Pirelli and Co.	ITA	176.6	70	—	NR	NR	—	10.5	6.1	72.1	NA	NA	31.12.84
480	(444)	Den Norske Creditbank	NOR	176.5	62	—	NR	NR	—	67.3	51.2	31.4	35.2†	4,387	31.12.84
481	(—)	Fromageries Bel	FRA	175.9	25	272	478.9	428.3	11.8	26.1	38.8	−32.7	25.1	6,393	31.12.84
482	(346)	Rauma Repola	FIN	175.4	11	188	1,165.1	925.3	25.9	64.2	20.0	221.0	18.2	17,867	31.12.84§
483	(496)	Flight Refuelling (Holdings)	UK	174.9	6	356	82.4	61.5	33.9	13.4	9.7	38.7	28.4	2,204	31.12.84
484	(—)	Morgan Crucible	UK	174.5	10	323	255.1	206.2	24.3	19.8	12.5	58.4	20.8	6,348	30.12.84
485	(488)	Locindus	FRA	173.4	69	—	NR	NR	—	12.9	11.9	8.4	30.8†	NA	31.12.84
486	(—)	Barratt Developments	UK	173.2	3	228	688.3	656.7	4.8	45.6	64.4	−29.3	15.0	5,504	30.6.84§
487	(360)	Home Charm	UK	173.2	34	326	234.4	174.6	34.2	13.8	8.9	55.0	47.3	3,065	29.12.84
488	(465)	Elektrizitats Ges Laufenburg	SWI	173.0	55	332	197.6	181.3	8.9	5.3	5.1	3.9	NA	NA	30.9.84*
489	(460)	Hawley Group	UK	172.9	11	293	381.6	175.4	117.5	40.3	18.1	122.6	28.6	32,439	31.12.84*
490	(—)	Lundbergforetagen	SWE	172.8	69	—	NR	NR	—	33.3	28.0	18.9	16.6	923	31.12.84
491	(416)	Haslemere Estates	UK	172.4	69	—	NR	NR	—	8.3	7.4	12.1	5.2	38	31.3.85
492	(479)	Kvaerner Industrier	NOR	172.3	6	246	579.7	549.9	5.4	47.2	40.3	17.1	22.9	8,682	31.12.84
493	(325)	Kone	FIN	172.2	6	236	663.6	618.8	5.6	29.1	27.5	5.8	25.3	13,145	31.12.84
494	(371)	Havas (Agence)	FRA	171.5	29	165	980.7	891.8	9.9	28.9	32.9	−12.1	21.3	14,250	31.12.84*
495	(—)	Pollet	FRA	171.0	2	210	778.7	758.3	2.6	26.1	21.3	22.5	15.5	7,571	31.12.84
496	(—)	Presses de la Cite	FRA	171.0	32	318	273.7	245.1	11.6	16.0	12.3	30.0	23.3	297	31.12.84*
497	(496)	Britannia Arrow Holdings	UK	170.3	70	—	NR	NR	—	18.0	12.9	39.5	19.7	1,287	31.12.84
498	(—)	Sibra	SWI	169.5	22	345	134.3	135.4	−0.8	7.2	7.2	0.0	13.3	1,470	30.9.84
499	(—)	Octopus Publishing Group	UK	168.7	32	380	68.4	47.8	43.8	11.7	8.1	44.4	52.5	334	31.12.84
500	(482)	National Bank of Belgium	BEL	168.5	62	—	NR	NR	—	55.6	60.3	−7.7	25.1†	3,266	31.12.84

Advance of the Euroequity

SIX YEARS ago, when the newly elected Conservative Government swept away the paraphernalia of exchange controls, the London Stock Exchange had high hopes of becoming the equity market of Europe.

The idea was, quite simply, that some European companies would choose to seek a listing in London in preference to their domestic market place and that others, already listed in their home town, would come to London in order to broaden their shareholding base and raise equity capital in a bigger and more efficient primary market.

The hopes were high but the results were disappointing. Vitatron, a Dutch manufacturer of medical equipment, duly sought a London listing in preference to a quotation in Amsterdam, but it spawned few imitators. And those British investors who snapped up Vitatron shares in October 1979 were soon disappointed. The company started losing money in 1980 and omitted its dividend in each of the following four years.

The most encouraging case was International Signal & Control (ISC), a U.S. defence and security systems group which sought a listing in August 1983. But even ISC could not be held up as evidence of a trend. The company's principal objective in coming to London was to avoid the disclosure of confidential client information which would have been required in New York.

Yet in the past year London has at last started to establish its credentials as a centre for European equity trading. Increasingly, however, the trend towards internationalisation is being interpreted not as a potentially valuable addition to business on the London Stock Exchange but as a challenge to the exchange's role as the central market in equities.

What worries the Stock Exchange is the "Euroequity" which, as its name suggests, bears more than a passing resemblance to the Eurobond.

Eurobonds are generally traded by dealers who are not members of the Stock Exchange, are bought by retail and wholesale investors in Europe, and are cleared through settlement organisations—Cedel and Euroclear—specifically designed for the purpose. The machinery is, by common consent, cheap and efficient. Its shortcoming is equally obvious: the market's almost entirely unregulated.

The use of the Euromarket to distribute equity is still in its infancy. The largest transaction to date was in June, when Nestle placed SwFr 373m of equity through the euromarket. No-one expects an offshore market to transplant the Stock Exchange as London's principal source of equity capital, but it should at least provide competition.

European companies are, after all, taking a more entrepreneurial approach to the raising of risk capital. Reuters offered its shares simultaneously in London and New York, Banca Commerciale Italiana recently sold £43m of equity outside Italy and a host of other companies have been tucking shares away in markets outside their home country.

In the UK the British Government has been almost the leading exponent of this approach. British Telecom shares were sold in North America and Japan, while 20 per cent of the Britoil secondary offering — which totalled £449m in all — was distributed in Switzerland and Canada. In the private sector also, at least one very large international British company has recently attempted to place a substantial chunk of equity with foreign institutions. The London Stock Exchange vetoed that particular idea, but there is no doubt that the pressure for overseas share placings is growing.

That is not altogether surprising. Fund managers take an increasingly international view of equity investment and — to reflect that demand — research analysis is becoming geared to the so-called global market.

If, so the argument runs, a U.S. investment manager is interested in buying shares in a Swedish pharmaceutical company, it is not enough for the American institution simply to deal through the unfamiliar — and relatively illiquid — Stockholm market. Far better for the Swedish company to issue shares in New York, or indeed London. In that way the issuing company broadens its shareholding base and, very possibly, brings its sources of equity capital into closer alignment with its sources of business.

The company can also take advantage of any residual inefficiencies in domestic markets. If, for example, defence companies are highly regarded in London, but not in Paris, it is only sensible for a French defence group to place shares in London.

As the practice of trading equities across boundaries grows, as it will, domestic capital markets and the Euromarket itself will find themselves competing for the business of supplying primary capital. The domicile of the issuing company should, in the end, become almost an irrelevance.

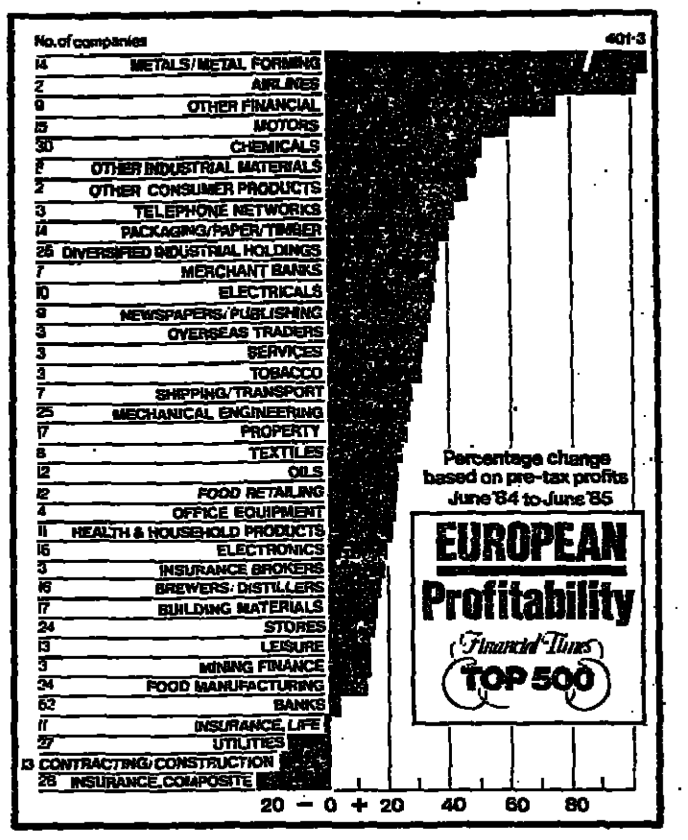
John Makinson

FOOTNOTES FOR COMPANIES LISTED ON THIS PAGE

301 Altana, domestic consolidation. 302 Electra de Viesgo, Emp=1983. 311 Horten, parent company accounts. 312 Banco de Vizcaya, Emp=1983. 318 FECSA, parent company accounts. Emp=1983. 319 Banco Hispano Americano, parent company accounts. ROCE calculated using pre-tax profit after interest. 320 Kredietbank, profit is net of tax. ROCE calculation not available as tax figure not known. 321 Equity and Law Life Assurance Society, profit is after transfers to and from revenue accounts and is net of tax. 326 Sefimeg, accounts not made available. 327 Union Electrica-Fenosa, parent company accounts. 328 Bowater Industries, previous year's figures are pro-forma, restated to exclude Bowater Inc following demerger July 1984. ROCE calculation assuming demerger at beginning of year. 329 Schindler Holding, ROCE calculation based on pre-tax profit as interest not shown separately. 330 Jelmoli, profit is net of tax. 331 Banque Cantonale Vaudoise, parent company accounts. 333 Baloise Insurance, profit is net of tax and is for holding company. 334 Unerg, parent company accounts. 338 Helvetia-Feuer/Unfall, figures are sum of each account. 343 Harpener, partial consolidation. Emp=parent company accounts. 345 Baer Holding, market capitalisation figure includes notional value for 105,785 registered shares. Turnover and profit figures are not consolidated and ROCE calculation is based on pre-tax profit as interest is not shown separately. 346 Polly Peck (Holdings), figures prepared in accordance with merger accounting principles following acquisition of Wearwell. ROCE calculated assuming merger effective at beginning of year. 348 Gotthard Bank, parent company accounts. 349 KKB Bank, parent company accounts. 350 Sulzer, loss is after tax and minority interest. ROCE calculation not available since balance sheet is abridged. 360 Great Portland Estates, profit=net revenue on ordinary activities before tax. 361 United Newspapers, turnover and profit figures exclude Link House Group acquired December 27 1984 but Employee figure includes LHG. ROCE calculated assuming merger effective at beginning of year. 367 Casino, parent company accounts. 370 Contigas, parent company accounts. 371 Autopistas del Mare, parent company accounts. ROCE calculated using pre-tax profit after interest. 373 Den Danske Bank, ROCE calculated on pre-tax profit after interest. 379 Allied Irish Banks, Emp=1984. 380 Union Credit Batiment, ROCE calculated using pre-tax profit after interest. 385 Kali-Chemie, turnover is for group, profit is for parent company. 387 Industriekreditbank, ROCE calculated using pre-tax profit after interest. 388 Tricentrol, turnover includes oil trading sales of $1,346.1m ($796.0m). Profit is before PRT and corporation tax. 390 Mercury Securities, profit is net of tax. 400 London and Manchester Group, profit is net of tax. 401 Farnell Electronics, this year's figures for 53 weeks to February 3 1985. 403 Union Pour le Financement des Immeubles de Societes, profit is net of tax. 404 Lech-Elektrizitatswerke, parent company accounts. 405 Sofina, parent company accounts. 406 Copenhagen Handelsbank, ROCE calculation based on pre-tax profit as interest not shown separately. 408 Dortmunder Union, domestic consolidation. 414 Eridania, parent company accounts. 419 Electrobel, parent company accounts. 424 Nobel Industries, formed through merger between Bofors and Kemma Nobel, September 1984. This year's figures include Kemma Nobel from September 1 1984. Previous year's figures are for Bofors. 427 Dumez, parent company accounts. 428 Compagnie Francaise de l'Afrique Occidentale, Emp=parent company. 430 Sevillana de Electricidad, parent company accounts. 433 Lahmeyer, parent company accounts. 434 Refuge Group, incorporated October 11 1984 and acquired entire share capital of Refuge Assurance. 437 Britannic Assurance, profit is after transfers to and from revenue accounts and is net of tax. 443 Hambros, profit is before extraordinary items and transfers but after minority interest and net of tax. 445 Pleasurama, this year's figues for 15 months to December 30 1984. 446 Pohjola Group, consolidated figures for Pohjola Insurance Ltd before tax and changes in reserves but after sundry items. 448 Tractionel, parent company accounts. 453 Banco Exterior. Parent company accounts. 457 Fermenta, A1 listing November 1984. 466 Case Group, formerly Computer and Systems Engineering. Figures restated in accordance with merger accounting principles following acquisition of Rixon Inc May 1984. ROCE calculated assuming merger effective at beginning of year. 475 Cobepa, ROCE calculated using pre-tax profit after interest. 477 Kraftwerke Laufenburg, Profit is net of tax. 488 Elektrizitats Gesellschaft Laufenburg, balance sheet too brief to calculate capital employed. 489 Hawley Group, group reorganisation November 1984. New parent company Hawley Group Ltd. ROCE calculated assuming merger with Electro-Protective effective at beginning of year. 494 Havas (Agence), ROCE calculation based on pre-tax figure as interest not shown separately. 495 (Les) Presses de la Cite, Emp=parent company. ROCE calculated using pre-tax profit after interest.

The European top hundred by turnover

Ranking This	Last	Company	Turnover $m	Cntry	Sector	Year end
1	(1)	Royal Dutch/Shell	94,501.9	N/UK	51	31/12/84
2	(2)	British Petroleum	48,569.7	UK	51	31/12/84
3	(3)	IRI	21,022.6	Ita	11	31/12/84
4	(5)	Unilever NV/plc	20,706.7	N/UK	25	31/12/84
5	(8)	BAT Industries	19,558.9	UK	36	31/12/84
6	(10)	Elf Aquitaine	18,936.4	Fra	51	31/12/84
7	(4)	ENI	17,6[illegible]	Ita	51	31/12/84
8	(7)	Total	17,0[illegible]	Fra	51	31/12/84
9	(6)	Veba	16,291.1	Ger	11	31/12/84
10	(11)	Philips	15,581.3	Net	4	31/12/84
11	(38)	PTT (France)	15,529.2	Fra	55	31/12/84
12	(9)	Deutsche Bundespost	15,018.0	Ger	55	31/12/84
13	(14)	Siemens	14,953.7	Ger	4	30/09/84
14	(12)	Volkswagen	14,919.5	Ger	9	31/12/84
15	(13)	Daimler Benz	14,203.5	Ger	9	31/12/84
16	(16)	Bayer	14,043.9	Ger	42	31/12/84
17	(17)	Hoechst	13,534.8	Ger	42	31/12/84
18	(15)	BASF	13,1[illegible]	Ger	42	31/12/84
19	(1[illegible])	Electricity Council	12,729.1	UK	55	31/03/87
20	(2[illegible])	Imperial Chem Inds	12,687.5	UK	42	31/12/84
21	(23)	Electricite de France	12,630.0	Fra	55	31/12/84
22	(1[illegible])	Renault	12,593.0	Fra	9	31/12/84
23	(25)	BNOC	12,212.8	UK	51	31/12/84
24	(2[illegible])	Fiat	12,194.4	Ita	9	31/12/84
25	(22)	Nestle	12,110.9	Swi	25	31/12/84
26	(35)	Esso UK	10,986.8	UK	51	31/12/84
27	(26)	Thyssen	10,[illegible]	Ger	8	30/09/84
28	(21)	Volvo	9,[illegible]	Swe	9	31/12/84
29	(29)	British Telecom	9,778.9	UK	48	31/03/85
30	(27)	Peugeot	9,757.8	Fra	9	31/12/84
31	(30)	Petrofina	9,320.4	Bel	51	31/12/84
32	(31)	Oiag	8,958.5	Aus	11	31/12/84
33	(28)	Deutsche Bundesbahn	8,906.0	Ger	55	31/12/84
34	(32)	British Gas	8,852.1	UK	51	31/03/85
35	(34)	Nederlandse Gasunie	8,804.8	Net	51	31/12/84
36	(33)	RWE	8,736.1	Ger	55	30/06/84
37	(37)	Generale d'Elect	7,940.9	Fra	55	31/12/84
38	(42)	Rio Tinto-Zinc Corp	7,616.6	UK	81	31/12/84
39	(36)	INH	7,570.6	Spa	51	31/12/84
40	(54)	Berisford S. & W.	7,302.1	UK	25	30/09/84
41	(48)	Ruhrkohle	7,022.5	Ger	55	31/12/84
42	(39)	Esso AG	6,937.7	Ger	51	31/12/84
43	(45)	Ciba-Geigy	6,795.7	Swi	42	31/12/84
44	(43)	General Electric Co	6,686.2	UK	5	31/03/85
45	(47)	DSM	6,556.5	Net	42	31/12/84
46	(51)	Grand Metropolitan	6,498.0	UK	22	30/09/84
47	(40)	Saint Gobain	6,468.7	Fra	11	31/12/84
48	(50)	Montedison	6,340.8	Ita	42	31/12/84
49	(41)	Thomson	6,129.9	Fra	5	31/12/84
50	(57)	Bosch, Robert	5,998.2	Ger	5	31/12/84
51	(49)	Krupp, Fried	5,954.6	Ger	8	31/12/84
52	(53)	Imperial Group	5,880.9	UK	36	31/10/84
53	(59)	Rhone-Poulenc	5,484.1	Fra	42	31/12/84
54	(66)	Gas de France	5,119.5	Fra	51	31/12/84
55	(77)	Neste Group	5,061.9	Fin	51	31/12/84
56	(65)	Ruhrgas	4,837.9	Ger	51	31/12/84
57	(60)	Ford Motor Company	4,804.0	UK	9	31/12/84
58	(55)	SNCF	4,787.4	Fra	55	31/12/84
59	(61)	Akzo	4,784.2	Net	42	31/12/84
60	(64)	British Steel	4,783.6	UK	8	31/03/85
61	(62)	Michelin	4,753.2	Fra	9	31/12/84
62	(84)	Dalgety	4,738.7	UK	25	30/06/84
63	(58)	Mannesmann	4,594.7	Ger	8	31/12/84
64	(69)	Preussag	4,484.0	Ger	11	31/12/84
65	(—)	BTR	4,464.4	UK	10	29/12/84
66	(—)	Haniel, Franz	4,428.6	Ger	11	31/12/84
67	(73)	BMW	4,383.8	Ger	9	31/12/84
68	(68)	Brown Boveri	4,361.2	Swi	4	31/12/84
69	(67)	BL	4,355.4	UK	9	31/12/84
70	(86)	Carrefour	4,209.6	Fra	34	31/12/84
71	(56)	Opel, Adam	4,205.0	Ger	9	31/12/84
72	(—)	Ultramar	4,174.6	UK	51	31/12/84
73	(63)	Ford Werke	4,174.1	Ger	9	31/12/84
74	(81)	Marks and Spencer	4,113.9	UK	34	31/03/85
75	(83)	Post Office	4,113.1	UK	55	31/03/85
76	(85)	Thorn EMI	4,102.9	UK	29	31/03/85
77	(93)	Asea	4,077.5	Swe	6	31/12/84
78	(82)	Allied-Lyons	4,065.0	UK	22	03/03/85
79	(92)	Sacilor	4,059.0	Fra	8	31/12/84
80	(—)	Statoil	4,044.3	Nor	51	31/12/84
81	(90)	Norks Hydro	4,032.6	Nor	42	31/12/84
82	(80)	Electrolux	3,951.1	Swe	39	31/12/84
83	(75)	Migros	3,931.8	Swi	26	31/12/84
84	(72)	Coop Group	3,890.6	Swe	26	31/12/84
85	(70)	GHH	3,885.7	Ger	6	30/06/84
86	(97)	Tesco Stores (Hldgs)	3,841.7	UK	26	25/02/85
87	(100)	Sainsbury J.	3,839.5	UK	26	23/03/85
88	(—)	Pechiney	3,805.4	Fra	8	31/12/84
89	(76)	Salzgitter	3,784.7	Ger	8	30/09/84
90	(89)	Assoc British Foods	3,752.3	UK	25	31/03/85
91	(95)	Flick Gruppe	3,705.5	Ger	8	31/12/84
92	(88)	IBM Deutscheland	3,681.6	Ger	5	31/12/84
93	(—)	Deutsche Texaco	3,659.8	Ger	51	31/12/84
94	(99)	Solvay & Cie	3,637.2	Fra	42	31/12/84
95	(78)	Degussa	3,623.8	Ger	42	30/09/84
96	(74)	AEG-Telefunken	3,596.1	Ger	5	31/12/84
97	(—)	IBM France	3,559.5	Fra	5	31/12/84
98	(87)	Deutsche Mobil	3,554.0	Ger	51	31/12/84
99	(—)	Edeka Zentrale	3,548.8	Ger	34	31/12/84
100	(79)	Karstadt	3,521.4	Ger	34	31/12/84



Biggest profit increases (European)

Rank	Company	Cty	Sr	Top 500 Rank	Profit Increase %
1	Fermenta	Swe	42	457	1,600.0
2	Lucas Industries	UK	9	281	1,452.3
3	Pentland Industries	UK	35	461	658.8
4	SKF	Swe	8	205	476.4
5	AEG-Telefunken	Ger	5	192	475.2
6	Volkswagen	Ger	9	33	435.8
7	Ocean Transport & Trading	UK	45	395	298.6
8	Hufvudstaden	Swe	69	238	221.3
9	Rauma Repola	Fin	11	482	221.0
10	Pargesa Holding	Swi	62	241	184.0

Biggest profit decreases (European)

Rank	Company	Cty	Sr	Top 500 Rank	Profit Decrease %
1	Banco Hispano	Spa	62	319	−99.2
2	General Accident	UK	66	70	−94.0
3	Skandia Forsakrin	Swe	66	255	−92.9
4	Royal Insurance	UK	66	46	−88.6
5	Den Danske Bank	Den	62	373	−79.9
6	Hoesch	Ger	8	356	−79.2
7	Copenhagen Handelsbank	Den	62	406	−73.3
8	Nobel Industries	Swe	42	424	−61.7
9	Charter Consolidated	UK	10	377	−55.4
10	Alfa Laval	Swe	6	269	−50.7

Strength of insurance composites

INSURANCE in the age of the mega risk is international and composite insurance groups need to operate on a worldwide basis in order to maintain their position in the market place.

Insurance groups have therefore expanded outside their own home country in order to maintain this worldwide position and because they have reached the capacity limit in their home territory.

Composite insurance groups from the UK and Europe have for several years been prominent in the top 500. But this year it is the underlying strength of insurance share prices on the UK and European stockmarkets that have in general sent composite insurance groups climbing the rankings.

Composite insurance groups worldwide have gone through several years of declining profitability on their general insurance trading, while at the same time buoyant stockmarkets and falling interest rates have sent asset values soaring so that the composites have very strong balance sheets. This in itself would have been sufficient to maintain the share prices.

However, over the past 12 months the insurance groups have taken strong corrective action on their non-life business with substantial premium increases and rationalisation of operations, particularly in the U.S., the world's largest insurance market. This anticipation of a sustainable recovery in general insurance profitability has sent insurance share prices climbing steadily on most stockmarkets.

The Capital International Insurance Index has outperformed the Capital International World Index for several months. The rise in share prices on individual exchanges has been impressive.

The Italian stock market has seen an 87 per cent rise in insurance share prices, so not surprisingly Italian insurance groups have shown a good performance in the 500 rankings. *Fondiaria Vita has climbed* 230 places to 208 with a capitalisation of £513.8m and SAI a climb of 61 places to 292 with a capitalisation of £335.5m.

Italy's largest insurance group, Generali Assicurazioni has strengthened its position with a rise of five places in the ranking to 26 and a *capitalisation* of £3.19bn.

Damage caused by a tornado which this year swept across Ohio and Pennsylvania in the U.S. In the face of such risks, composite insurance groups need to operate on a worldwide basis

Insurance shares on the West German market saw prices rise on average by 53 per cent. This enabled the country's and Europe's largest composite, Allianz Versicherung, with a capitalisation of £5.83bn, to climb from 25th to 10th place.

Into the table for the first time at 30th comes Munchener Feuerversich with a capitalisation of £2.88bn, while the stock market strength saw Wurttemberg Feuerversich climb 126 places to 211 with a capitalisation of £502.7m.

A 36 per cent rise in insurance shares on the Dutch stock market confirmed the position of Nationale-Nederlanden in the top rankings, its capitalisation of £2.18bn resulting in a climb in rankings from 57 to 43.

Aegon, formed in 1983 from the merger of Ennia and AGO, overtook AMEV as the second largest Dutch composite with a capitalisation of £883.3m against £848m for AMEV. *Aegon climbed* 45 places in the rankings to 117, with AMEV up 26 places at 120.

Insurance shares on the *Swiss* stock exchange rose 30 per cent resulting in Zurich Insurance with a capitalisation of £2.17bn up eight places to 44. Winterthur Versicherung, capitalised at £1.61bn up 17 places to 58 and Swiss Re, at £1.15bn, up 10 places to 81.

Two smaller Swiss insurance groups, Baloise Insurance and Helvetia-Unfall respectively saw their rankings climb 126 and 95 places to 211 and 333 thanks to strong share performance.

The UK insurance share rise of 24 per cent looks modest by comparison. *Nevertheless* it enabled most of the major UK *composites to consolidate* their position in the rankings. Royal Insurance confirmed its position as the UK's largest composite by market capitalisation at £1.96bn and its ranking climbed nine places to 46th. Guardian Royal Exchange at £1.43bn moved up three places to 65th, General Accident at £1.31bn rose eight places in the rankings to 70th and Sun Alliance at £1.13bn one place to *84th.*

There were a few casualties in the rankings, the largest being UK's Commercial Union which fell 21 places to 90th with a capitalisation of £1.08bn. Sweden's Skandia Forsakrin dropped 17 places to 255, Belgium's Royal Belge 39 places to 372 and Finland's Pohjola 116 places to 447.

Prospects for the next year look good for composites in *general, particularly the* UK groups. Analysts think there is still plenty of steam in the recovery of insurance groups that has not been fully discounted in the share prices. Companies are still on the acquisition trail. Allianz has taken a stake in Italy's major group RAS, currently 159 in the rankings, and intends to *acquire a majority holding.*

Life companies in the top 500 *are dominated* by UK groups and the strength of the share prices of UK life companies has resulted in them all increasing their rankings and new ones coming into the listings.

Conditions have never been so good for the UK life assurance industry with good new business results to date, strong asset values of the underlying funds and a steady release of profit to shareholders.

Abbey Life, Britain's second largest linked life company, came on the market *in June* and at a capitalisation of [illegible]0.2m *finds itself* at 128th in the rankings.

Britain's largest life group, Prudential Corporation at [illegible].45bn, rose four places in the rankings to 38th, while Legal and General, Britain's second largest life group, climbed 25 places to 68th with a capitalisation of £1.34bn. Both these groups stand to gain from the pension developments in the UK social security scene.

The climb of 85 places to 321 by Equity and Law, capitalisation £229.4m, and 66 *places to* 401 by London and Manchester, capitalisation £228.6m, owe as much to speculative hopes of a bid as to the strength of the share price. Sun Life Assurance, which has operated under a strong minority *holding* by South Africa's Liberty Life, *rose 25 places* to 180th with a capitalisation of £608.1m.

Two other home service life companies, Britannic Assurance and Refuge Group enter the ranking for the first time at 438 and 435 respectively.

The two non-UK life companies in the ranking, Germany's Victoria Lebens and Italy's Alleanza both showed *good growth* respectively rising 93 places and 44 places to 62nd and 94th.

Growth prospects for UK life companies are less certain than for composites. New business could well slow down over the next 12 months. Future profitability is likely to continue, but this has already been fully discounted.

Eric Short

European Top 500 biggest pre-tax losses

Rank	Company	Cty	Sr	Top 500 Rank	Pre-Tax Loss $m
1	Michelin	Fra	9	206	(202.9)
2	Peugeot	Fra	9	212	(102.1)
3	Commercial Union	UK	66	90	(93.2)
4	Matra	Fra	4	315	(13.5)
5	Sulzer	Swi	6	350	(7.0)*

* After tax & minority interest

DEPARTURES FROM THE EUROPEAN 500

Company	Cty	Last rank	See
Hambro Life Assurance	UK	152	65*
House of Fraser	UK	183	34†
BSR International	UK	189	4
Johnson Matthey	UK	204	8
MFI Furniture Group	UK	213	34‡
Carlo Erba	Ita	230	27
Phoenix Assurance	UK	243	66§
ICL	UK	244	5¶
Kemanobel	Swe	250	42‖
Initial	UK	254	12**
Brooke Bond Group	UK	284	25††
Bibby J. and Son	UK	313	25‡‡
Charterhouse Petroleum	UK	322	51
Sound Diffusion	UK	335	4
Bofors	Swe	356	8§§
Sterling Guarantee Trust	UK	367	70¶¶
Carless Capel and Leonard	UK	369	51
Lesieur	Fra	376	25
Dyckerhoff Zement	Ger	378	2
Grindlays Holdings	UK	382	70‖‖
Gruppo Lepetit	Ita	391	27
Huhtamaki	Fin	393	25
National Bank of Greece	Gre	394	62
Italcementi	Ita	398	2
Ratos Forvaltning	Swe	399	70
Elkem	Nor	406	8
Sueddt Zucker	Ger	409	25
Iggesunds Bruk	Swe	417	33
United Scientific Holdings	UK	422	6
Hamilton Oil GB	UK	435	51a
Almanij	Bel	436	70
Beghin-Say	Fra	437	25
Unicem	Ita	442	2
Finextel	Fra	445	70
Currys Group	UK	451	34b
Hoboken-Overpelt	Bel	452	8
Kymmene-Stromberg Corp	Fin	454	11
Finnish Sugar Company	Fin	455	25
United Paper Mills	Fin	456	33
Minet Holdings	UK	459	67
Pritchard Services Group	UK	466	12
Simon Engineering	UK	470	6
Christiania Bank	Nor	471	62
Schroders	UK	472	68
Diploma	UK	473	5
Oxford Instruments Group	UK	474	5
GB-Inno-BM	Bel	475	34
Logica	UK	476	5
Gill and Duffus Group	UK	477	91
Electronic Rentals Group	UK	485	29
Partek	Fin	487	2
Cambridge Electronic Inds	UK	490	5
Bols	Net	491	22
Grunzweig and Hartmann	Ger	493	6
Mills and Allen International	UK	494	12
Meyer International	UK	498	2
MK Electric Group	UK	499	4
Atlantic Computers	UK	500	5

* Acquired by BAT Industries. † Acquired by Al Fayed brothers. ‡ Acquired by Associated Dairies. § Acquired by Sun Alliance and London Assurance. ¶ Acquired by STC. ‖ Merger with Bofors now *Nobels Industries.* ** Acquired by British Electric Traction. †† Acquired by Unilever. ‡‡ Acquired by *Barlow Rand.* §§ *Merger with Kemanobel.* ¶¶ Acquired by P & O.

‖‖ *Acquired by ANZ. a Acquired by Hamilton Oil Inc. b Acquired* by Dixons Group.

A-Z List of European Top 500

KLM — BY LAURA RAUN

Earnings almost triple

KLM Royal Dutch Airlines is a national air carrier that is partially state-owned but run profitably as a private enterprise.

The word profitable largely explains why KLM jumped 124 places to number 163 on the FT 500 list as market capitalisation more than doubled to $663.5m from $297m. Earnings nearly tripled from Fl 103m to a record Fl 290m last year, despite red ink in the final quarter.

On the Amsterdam Stock Exchange, the share price doubled to around Fl 60 in the 12 months to the end of June. KLM stock far outpaced the Dutch market, which advanced about 36 per cent during the same period.

As a mixed company, 55 per cent held by the Dutch Government and 45 per cent by private investors, KLM is almost singular in the European airline industry. Most European carriers are either state-owned (often loss-making) or privately held, (usually money making).

KLM benefits from market-oriented management like Mr Sergio Orlandini, the aggressive president-director, as well as national-carrier privileges such as government backing in bargaining for landing rights and promoting tourism.

Mr Orlandini was among the first airline executives to push for deregulation of the European industry, and has put KLM at the forefront of the battle for lower fares and more flexibility in routes and frequencies.

Mr Orlandini has also ensured that his airline operates efficiently enough to profit from such "open skies" policies. The load factor, the number of seats and freight space filled out of the total available, climbed to a record 70 per cent in the year to March 30, 1985. Earnings as a percentage of sales surged last year to 5 per cent, an enviously high level for the industry, as turnover rose 10 per cent to Fl 5.66bn.

KLM launched a novel perpetual bond early this year when it became the first non-bank corporation to offer an undated bond on the international market. The 6¼ per cent Swiss franc bond met a warm initial reception.

In 1983 KLM offered bonds with "A" and "B" equity warrants attached. The "A" warrants were immediately exercisable and the "B" warrants remain in effect until 1988.

Mr Orlandini successfully steered the company through the economic recession of the early 1980s.

A Fl 19m loss in 1975-76 was reversed to a Fl 77m profit the following year and net income has now soared to Fl 290m from an Fl 11m trough in 1980-81. Earnings are expected to jump another 15-20 per cent this year.

The big question for KLM's future is whether the Dutch government will sell its 55 per cent stake to private shareholders, an idea favoured by Mr H. Onno Ruding, the Finance Minister.

A government panel studying the question of privatisation of state holdings has yet to make a recommendation on KLM. But the airline clearly opposes privatisation in the near future because of the potential loss of KLM's character as a national carrier.

VOLKSWAGEN — BY JOHN DAVIES

Sharp rise in exports

MANAGEMENT AND factory workers have been looking hard at possible ways to increase production at Volkswagen's car plants in West Germany. Swept along by demand for the new-generation Golf, VW has been riding high so far this year, despite some problem areas in its world-wide activities.

With its more buoyant performance, VW has attracted strong interest among investors, especially abroad. As a result, its higher share price and increased market capitalisation have taken the company further up the FT's top 500 list. It has moved up from 46th place last year (and 44th in 1983) to rank as number 33, with a market capitalisation of $2.76bn at the end of June.

After two years of heavy loses, VW made a group net profit of DM 228m last year and paid a dividend of DM 5 per share. As its recovery has gathered pace, so too has speculation about a much improved dividend on this year's results. At mid-year the group net profit of DM 281m was already ahead for the full-year outcome for 1984.

The success of the Golf put VW (with its Audi subsidiary) narrowly in front of its rivals in the hard-fought battle for European sales in the first half of this year. The group's European export sales rose 21.6 per cent, compared with the same period last year. Sales were down at home, but the decline was much less than the drop in the West German car market as a whole.

VW survived the market turmoil in West Germany earlier this year much better than at first feared, partly because of the range of diesel-engined vehicles it offers. The uncertainty for months about government plans to tighten exhaust emission controls accelerated the trend towards diesel-fuel cars, which are unaffected by these restrictions.

Once the EEC agreed on a time scale and standards for tighter controls, the whole German market began to surge ahead, with VW's order book also picking up strongly.

Dr Karl Hahn, VW's chief executive, has been looking to worldwide sales of about 2.4m vehicles this year, 12 per cent more than in 1984. In the West German market VW and Audi together had notched up sales of 460,534 in the first eight months of this year, a rise of just 1.1 per cent. But their combined market share was 28.2 per cent, an improvement on the 27.2 per cent share in the same period last year.

TELEFONICA

A lead for electronics industry

UNTIL the privatisation of British Telecom, Spain was an exception on the European scene in having a national telephone company with a majority of the stock in private hands.

Compania Telefonica Nacional de Espana (CTNE, better known as Telefonica), number 40 on the FT list with market capitalisation at the end of June of £2.36bn, has 700,000 shareholders and ambitions of becoming Spain's first multinational enterprise.

In the past year it has both intensified its programme of international joint ventures and launched its shares for the first time on foreign stock exchanges, including London.

Spain's biggest non-oil company by turnover (£1.64bn last year) and its biggest profit-maker (£143m after tax), Telefonica's workforce of 66,800 also now ranks it as the biggest employer, a position formerly held by the State Railway Board, the country's biggest loss-maker.

Founded in 1924 in a bid to sort out the chaos of Spain's telephone concessions, the company started out under the wing of ITT. The Franco regime later bought out the foreign holding and strengthened the company's monopoly.

Present government policy is to reinforce the company's exclusivity over the telephone network while liberalising the terminals end of the business—that is, confirming its monopoly as a carrier but not as owner of the equipment.

Through direct and indirect shareholdings amounting to 47 per cent of the capital, the state maintains effective control although the company proclaims a strict adherence to private management criteria. The chairmanship is a political post, and its present occupant Mr Luis Solana is a prominent member of the ruling Spanish Socialist Workers' Party (on its social-democratic wing) and a brother of Mr Javier Solana, Minister of Culture and Government spokesman.

Since his arrival three years ago, greater emphasis has been placed on Telefonica's role as a locomotive for the electronics industry, with an industrial programme linked closely to the Government's far-reaching national electronics and data-processing plan and based on Telefonica's dominant role as purchaser. Its industrial group, which had 1984 sales of £548m, is 60 per cent geared to supplying Telefonica itself, 30 per cent to other Spanish companies, and 10 per cent to exports.

Interests include joint ventures with ITT, Ericsson and Italy's Telettra.

Two key projects are ready to go ahead with Telefonica as a minority partner: a £140m AT & T venture to design and produce custom-made microchips in Spain, and a new computer and office automation company controlled by Fujitsu of Japan. In addition, Telefonica plans a fibre-glass operation with Corning Glass of the U.S. and has been talking with Philips on a mobile telephone project.

Aiming to boost its self-financing capacity, Telefonica has placed shares in London, Paris and Frankfurt (together worth about £120m, and more than the combined total of all other Spanish shares on foreign stock exchanges). Most recently it placed shares in Tokyo, where it is the first Spanish company, and first European telecommunications company, to be quoted. A New York listing is planned for 1986.

The four foreign placings to date have doubled the share of Telefonica's capital in non-Spanish hands to 13.5 per cent. This leaves some leeway within the 25 per cent limit currently set by law.

The moves were made possible by the company's first "clean" external audit, which enabled it to pass the difficult London hurdle, and by the recent performance of its shares. Telefonica stock rose above its par value in 1984 for the first time in seven years, riding on that year's boom in Spanish stocks. Trading in Telefonica accounted for 7 per cent of total volume on the Madrid exchange.

In late 1984 and early 1985 the company launched two rights issues, bringing its nominal capital up to Pta 360bn (£1.58bn).

Mr Solana sees Telefonica's future as a combination of service company and industrial holding group — but not as a 1980s equivalent of the cumbersome state empire of the Instituto Nacional de Industria (INI). It is planned to enable shareholders to take direct holdings in the industrial subsidiaries, starting with telephone equipment manufacturer Amper.

Telefonica is meanwhile actively searching for new foreign partners to widen its access to the latest technology. "We don't want to miss any train," says Mr Solana.

David White

SOCIETE GENERALE DE SURVEILLANCE — BY WILLIAM DULLFORCE

Confidence is quickly restored

THE swift climb in the market capitalisation of Societe Generale de Surveillance, the Swiss inspection services company, in 1984 was the more remarkable in that in September, amid considerable publicity, it lost an important contract for controlling Nigeria's imports and exports.

Investor confidence was quickly restored when SGS bounced back with new contracts for similar work in Ecuador, Indonesia and Mexico, demonstrating the aggressiveness which over the past decade has turned the Geneva-based concern into the world leader in the highly specialised business of inspection services.

SGS's determination to stay top was demonstrated again in July 1985 when it bought GAB Business Services from UAL Inc. of the U.S. GAB specialises in damage assessment for insurance companies and recorded a turnover of just under $200m last year.

Incorporation of GAB for the last five months will help push SGS's consolidated revenues from last year's SwFr 1.15bn ($520m) to around SwFr 1.5bn in 1985. Mr Andre Chargueraud, the managing director, is reluctant to forecast profits, but is confident that net earnings will exceed last year's SwFr 81m.

Contracts of the Nigerian type, while offering important additions to revenue and profits, in fact make up less than 15 per cent of turnover. SGS breaks down its activities into four main divisions, in each of which it supervises quality and quantity, and offers protection against risk.

Its original business was in the grains trade. Today it covers more than 250 agricultural products, supervising handling and shipment, checking cleanliness, sampling quality and controlling weights.

The industrial and consumer products division provides on-site supervision of industrial projects, tests materials and inspects factories. A speciality is the "non-destructive testing" of nuclear and other power stations, oil pipelines and off-shore platforms. Consumer products inspected include textiles and clothing, electronic equipment, toys and household appliances.

Supervision of bulk transport is the main activity of the natural resources division which covers petroleum products, petrochemicals, coal and minerals, chemicals and metallurgical products. Last year SGS introduced an automatic crude oil sampler now being used on the products of several major oil companies.

The newest, fast expanding division offers services to banks and insurance companies such a auditing, damage assessment, asset evaluation and stock certification.

Geographical diversity buttresses SGS's claim to leadership in its field. Last year it was operating 118 laboratories spread across the five continents and, after acquiring GAB it employs some 18,000 people, of whom only about 300 work at the head office in Geneva.

Growth has been particularly fast over the last decade, in fact, during Mr Chargueraud's 12-year tenure. Between 1979 and 1984 consolidated revenue has increased at an annual average of over 18 per cent. Operating profit has climbed at a rate of just under 17 per cent a year and earnings per share have moved from SwFr 86 in 1979 to SwFr 216 last year.

Some one-third of the company's stock is in registered shares, held by the 100 or so descendants of the funding families, management staff, and the largest single shareholder, Union Bank of Switzerland, which has about 10 per cent.

The non-voting "bons de jouissance" without nominal value are traded on the Zurich and Geneva exchanges, and in March this year 20,000 registered shares were offered to the public at a price of SwFr 3,760.

A dominating feature of SGS's growth has been its expansion in the U.S. Sales in North America accounted for between 3 and 4 per cent of consolidated turnover at the beginning of the 1970s. Last year they were close to 30 per cent and with the GAB take-over they will reach between 35 and 40 per cent in 1986, depending on the dollar rate.

In looking for weaknesses, analysts draw attention to SGS's sensitivity to the dollar/franc exchange rate and to its dependence on fluctuations in the volume of world trade.

Mr Chargueraud points out that all the U.S. acquisitions have been paid for out of cash flow, and the diversification of SGS's business, both geographically and in regard to products, insulates it against normal trade fluctuations if not against severe disruptions.

PIRELLI — BY ALAN FRIEDMAN

Emphasis on improved balance sheet

PIRELLI, the Milan-based tyre and cables group, is Italy's fourth largest private sector group in turnover terms (after Fiat, Montedison and Ferruzzi) and one of the country's handful of genuine multinationals.

With L6,800bn ($3.8bn) of sales last year, Pirelli has the kind of financial clout which makes it one of the key members of Italy's financial elite. But its chairman—Leopoldo Pirelli, whose family still maintains effective shareholding control of the group—has a low-key approach to the exercise of that financial power. Style is less visible than that of, say, Gianni Agnelli, the Fiat chairman whose pronouncements on a wide range of issues are followed by the Italian press.

In the past couple of years the Pirelli group has been concentrating its energies on improving its balance sheet and on making a series of relatively small, but selective acquisitions at home and in the U.S.

The result is a stronger industrial group which derives 45 per cent of its revenues from tyres, 43 per cent from cables, and the balance from diversified products ranging from car components such as transmission belts and leisure and paper products.

Among the improvements is the return to profit of Industrie Pirelli, the Italian operating subsidiary, and the elimination of losses in various cable subsidiaries except for those in Spain and the U.S., both of which are headed for break-even.

In financial terms Pirelli has recently launched L500bn of convertible bonds, of which there were Eurodollar, Euro-Deutsche Mark and Eurosterling bonds convertible into Pirelli shares. These bonds were designed to help restructure the group's roughly $1.2bn of aggregate group debt, and sold extremely well in the Euromarket.

Foreign investors have also been buying into Pirelli Spa, the Milan-based holding company which has 46 per cent of the group's operating companies in 16 countries. Whereas two years ago foreign investors held perhaps two per cent of Pirelli Spa shares, they are now believed to have as much as ten per cent of the equity.

On the acquisition front, Pirelli has taken over the Ceat tyre trade mark at home, picking up a name with ten per cent of the domestic market share. Meanwhile, Pirelli has been buying into fibre optic cable companies involved in data transmission.

In addition, Pirelli is putting the finishing touches on the acquisition from Bayer of West Germany of its Metzeler Kautschuk tyre and rubber products subsidiary. This purchase, which should cost between $30m and $50m, will increase Pirelli group turnover by around ten per cent.

Examining Pirelli accounts is not an easy task because the group does not consolidate them —instead it provides an aggregate result. This is because of the complex shareholding structure of the group: 46 per cent of operating companies are owned by Pirelli Spa in Italy, another 46 per cent by Societe Internationale Pirelli SA in Basle and a final eight per cent by Pirelli Societe Generale SA, also in Switzerland. On an aggregate basis the group doubled net profit to $72.2m last year and made $39.4m in the six months to last June 30.

Pirelli Spa and Societe Internationale Pirelli SA, in turn, are partly controlled by Pirelli and Company, a Milan-based holding company which recently announced plans to merge with Caboto Milano Centrale, an important finance and property company. This exercise brings to Pirelli and Company one of the biggest placers of Italian gilts and also a group with extensive property holdings.

Equally important, it creates a strong financial alliance betwen Pirelli and Company and Caboto.

Electronics sector collapse undermined UK market

THE stock market has certainly had its ups and down over the last twelve months.

Everything appeared to be going well enough until June. Investors had shrugged off worries about high real interest rates, the uncertain oil price and the antics of sterling, and the All-Share Index had climbed by some 100 points in a little more than eight months.

The one exception to this generally rosy picture was the electronics sector where prices were locked into a kamikaze-styled plunge, triggered by a collapse in demand from the small computer market.

Indeed, of the top 20 worst performers in the UK top 500, half are either electronic or electric companies.

News emanating from the electronics sector got worse, it was not just the specialist computer companies whose problems had by then been well and truely aired, but even the major groups appeared to be unable to report anything but disappointments. The one-time glamour sector was undermining the whole market, while the amazing zeal the corporate sector was displaying for rights issues was helping it on its way down under the weight of funding pressures.

In the first six months of 1985 rights issues raised £3.2bn. compared to less than £500m in the first six months of 1984. It was the block-busting £520m rights issue from Hanson Trust in June, the biggest ever rights call, apart from BP's £624m in 1981, which provided the final blow. In a little over three weeks the market fell by 8 per cent.

Since then, of course, the market has regained much of its nerve. Rights issues fell away to a trickle after Hanson and, while the relative strength of sterling has badly dented profit contributions from overseas subsidiaries, corporate profits will still increase by around 10 per cent in 1985, against 23 per cent in 1984.

Dividend growth has been strong, for the year an overall advance of 15 per cent seems likely and so, with the help of frothy bid speculation, the market clawed its way back to high ground on the fundamentals. The All-Share Index today is around a fifth higher than this time last year.

Apart from the excesses of rights issues, the past year has seen some sizeable new companies joining the stock market. British Telecom made its debut in November with an offer of 3bn shares at 130p each. Not surprisingly the utility has shot to the top of the UK rankings overtaking the big oil groups, BP and Shell.

Other issues of size included Hillsdown in January with an offer for sale by tender valuing the group at £189m, Abbey Life with an issue of £243m valuing the group at £600m and the sale of 20 per cent of Christian Salveson putting a price tag of over £310m on the business.

The number of new arrivals, however, could not compensate for the wave of bids which has caused a large number of major groups to disappear from the list of quoted companies. The names are too numerous to mention, but some of the largest deals include Unilever's purchase of Brooke Bond for £389m, STC's acquisition of ICL for £410m, Dixons' £250m for Currys' BAT's £663m for Hambro Life (now Allied Dunbar), and the Al Fayed's £430m for House of Fraser.

Ranking with the above has been Associated Dairies' purchase of MFI for £560m, although this could be better described as a merger. This deal, and many of the others, highlights the bustling activity within the stores sector — one of the best performing areas of the stock market in 1985.

The stores sector has advanced by around a third over the last year, a trend which is borne out in the UK 500 rankings. Retailing companies account for a third of those in the top twenty, as judged by the number of places climbed.

The change of attitude towards the mail order sector can easily be spotted. Grattan has risen by over 140 places, one of the year's top climbers, Freemans has gone up the league table by 90 places and even Empire, the profits performance of which lags behind its two cousins, has advanced by 67.

Clearly leading the field is the aggressively managed Ward White Group with an ascent of 160 places from its position of 323 in last year's table.

Ward White, run by Philip Birch, is a relative newcomer to the retailing scene. The group's roots are in footwear manufacture. Until 1980 all it sported in terms of stores were 90 or so modestly performing shoe shops, a natural diversification from making the footwear. Philip Birch's real taste for retailing came in that year with the purchase of Childs in the U.S.

His major coup in 1984 was the acquisition of Halfords, the motor accessories and bicycle group. Ward White narrowly missed getting hold of Foster Brothers, the clothing store operation, earlier this year, having been pipped at the post by a better offer from Sears. But recently it has won agreement with its £19m bid for Maynards, the main attraction of which is the Zodiac Toys, chain.

Carlton Communications is not far behind Ward White with a jump of 155 places to 157 in the list. Carlton is a rapidly growing video technology and communications group run by two brothers, Michael and David Green, who reversed their company into the USM quoted tip-sheet operation Fleet Street Letter in 1983.

Solid organic growth by Carlton and some shrewd aquisitions have been recognised in the City by a strongly rising share price, which is not far from having doubled this year, and has risen eight-fold since Carlton reversed into FSL less than three years ago. A few weeks ago it launched an ambitious agreed £80m bid for Thames Television, jointly owned by BET and Thorn EMI, but the Independent Broadcasting Authority stepped in to veto the deal.

Not surprisingly the electricals and electronics groups are well represented among the year's losers in terms of sliding down the list. While the market has risen by a fifth over the last year the electronics sector has fallen by a third from its November 1984 peak, as reflected by its showing in the year's worst performers.

Second line oil stocks are also fairly well represented with four in the "top" 20. The sector itself, which is understandably dominated by the big boys, has been one of the duller performers of 1985.

Dubious place of honour for having fallen the most over the last 12 months belongs to BSR, a group whose name was once synonomous with record players. In its heyday BSR was churning out 250,000 players a week, though last March it finally withdrew from that activity altogether with the announcement that production of record changers at its Stourbridge factory would be phased out.

It was not the demise of its once famous activity that sent BSR's share price into a tailspin over the last year but the collapse in demand from small computer makers. Twice over the last year Acorn has been rescued and its problems have blown a fuse at BSR's electronics operation.

In August BSR's interim figures showed an operating loss of £1.6m from electronics against a comparable £10.9m profit leaving the pre-tax £3.5m in the red against a profit of £8.8m. The bottom of the cycle may be past but it takes a while to rebuild confidence in a share that has come all the way down from over 300p in 1984 to 40p at one point earlier this year.

Elsewhere in the list of losers further evidence of the computer debacle can be found. A B Electronic, another victim of Acorn's problems, fell 118 places. But one fall which looks anomalous is the 66 place slide by Amstrad. Where others have failed Alan Sugar's company is making considerable profit from selling computers and word processors.

Not surprisingly the list is peppered with groups which have faced particular problems such as Johnson Matthey, Westland, Sound Diffusion and Logica. And one name whose presence could not have been foreseen a year ago is SR Gent, a Marks and Spencer supplier floated on the stock market in a blaze of publicity little more than two years ago.

Gent was caught out by M & S's failure to crack the ladies fashion market and costly changes to designs played havoc with overheads. Profits dived from over £6m to £1m in the year to last June and borrowings have soared from 16 per cent of shareholders' funds to 59 per cent. If there is a consolation for Gent shareholders faced with a long haul towards recovery, it is that the price is unlikely to fall much further. Alhough if it does Gent might slip out of the 500 altogether—after last year's 176 place slide, it now stands at 490.

Terry Garrett

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Ranking This	Last	Company	Market cap. £m	Sector	Ranking	Turnover this year £m	Turnover last year £m	% change	Profit this year £m	Profit last year £m	% change	ROCE	Number of employees	Year end
1	(—)	British Telecom	12,780.0	48	4	7,653.0	6,876.0	11.3	1,480.0	990.0	49.4	18.6	238,304	31.3.85*
2	(1)	British Petroleum	9,496.4	51	1	37,933.0	32,381.0	17.1	3,455.0	2,583.0	33.2	21.1	131,000	31.12.84*
3	(2)	Shell Transport and Trading	7,733.9	51	—	—	—	—	—	—	—	—	—	31.12.84*
4	(4)	Imperial Chemical Industries	4,723.9	42	3	9,909.0	8,256.0	20.0	1,034.0	619.0	67.0	22.2	115,600	31.12.84
5	(5)	BAT Industries	4,641.4	36	2	15,299.0	11,652.0	31.2	1,405.0	979.0	43.5	21.7‡	222,624	31.12.84
6	(6)	Glaxo Holdings	4,557.5	27	80	1,199.9	1,027.5	16.7	256.0	186.4	37.3	38.4	25,053	30.6.84§
7	(3)	General Electric	4,413.1	5	8	5,222.4	4,800.3	8.7	724.6	670.5	8.0	24.4	127,460	31.3.85
8	(8)	BTR	3,611.0	10	12	3,486.7	1,969.5	77.0	284.2	170.6	66.5	23.0	60,300	29.12.84
9	(7)	Marks and Spencer	3,458.0	34	15	3,194.3	2,854.5	11.9	303.4	279.3	8.6	22.9	53,963	31.3.85
10	(13)	Barclays	2,557.8	62	—	NR	NR	—	655.0	557.0	17.5	30.7†	126,900	31.12.84
11	(16)	Hanson Trust	2,522.3	11	22	2,382.3	1,484.0	60.5	169.1	91.1	85.6	16.5‡	67,000	30.9.84
12	(10)	Beecham Group	2,385.4	27	24	2,289.1	1,944.0	17.7	306.1	267.9	14.2	31.5	37,500	31.3.85
13	(20)	National Westminster Bank	2,348.8	62	—	NR	NR	—	671.0	518.0	29.5	28.8†	82,499	31.12.84§
14	(15)	Cable and Wireless	2,340.0	48	82	861.5	673.1	27.9	245.2	190.1	28.9	29.8	24,016	31.3.85
15	(9)	Grand Metropolitan	2,170.3	22	9	5,075.0	4,468.8	13.5	334.3	295.2	13.2	17.0	125,074	30.9.84
16	(12)	Sainsbury J.	2,087.6	26	18	2,998.7	2,574.8	16.4	156.4	130.0	20.3	29.1	43,403	23.3.85
17	(21)	Prudential Corporation	1,915.7	65	—	NR	NR	—	78.0	101.1	−22.8	NR	22,464	31.12.84§
18	(17)	Great Universal Stores	1,876.5	34	28	2,175.6	2,033.0	7.0	253.5	226.6	11.9	19.0	224,820	31.3.85*
19	(19)	Unilever	1,770.4	25	6	5,859.0	5,356.0	9.4	391.0	330.0	18.4	17.3	NA	31.12.84
20	(11)	Rio Tinto-Zinc Corporation	1,706.6	81	5	5,948.6	4,811.0	23.6	670.3	575.2	16.5	15.1	74,004	31.12.84
21	(23)	Bass	1,702.6	22	25	2,252.3	1,988.4	13.2	218.4	175.0	24.8	17.6	69,192	30.9.84
22	(30)	Royal Insurance	1,528.5	66	—	NR	NR	—	11.2	98.4	−88.6	NR	8,653	31.12.84
23	(29)	Allied-Lyons	1,449.3	22	16	3,174.8	2,850.5	11.3	219.0	194.9	12.3	16.2	71,448	2.3.85
24	(26)	Imperial Group	1,363.6	38	10	4,593.0	4,366.5	5.1	220.6	195.3	12.9	20.0	92,599	31.10.84§*
25	(32)	Lloyds Bank	1,352.3	62	—	NR	NR	—	468.0	419.0	11.6	24.8†	70,866	31.12.84
26	(22)	Boots	1,333.6	34	32	2,033.1	1,832.8	10.9	190.3	165.1	15.2	26.1	67,687	31.3.85
27	(18)	Land Securities Invest Trust	1,323.8	89	—	NR	NR	—	95.6	84.0	13.8	5.3	405	31.3.85
28	(36)	BOC Group	1,164.1	42	30	2,103.0	1,701.6	23.5	137.8	95.8	43.8	12.2	38,690	30.9.84
29	(50)	Trafalgar House	1,130.2	11	44	1,613.5	1,343.7	20.0	113.2	79.0	43.2	28.9	31,249	30.9.84*
30	(28)	Associated Dairies	1,122.5	26	37	1,934.2	1,755.2	10.1	119.0	104.6	13.7	37.5	35,171	27.4.85*
31	(37)	Guardian Royal Exchange	1,119.4	66	—	NR	NR	—	92.2	122.1	−24.4	NR	9,503	31.12.84
32	(34)	Sears	1,094.4	34	33	2,019.4	1,839.0	9.8	175.2	159.1	10.1	19.7	60,571	31.1.85
33	(27)	Distillers Company	1,075.0	22	78	932.2	806.3	15.5	236.2	191.6	23.2	20.4	14,900	31.3.85*
34	(48)	Legal and General Assurance	1,044.7	65	—	NR	NR	—	48.1	55.6	−13.4	NR	5,763	31.12.84
35	(25)	Britoil	1,041.8	51	53	1,335.5	1,201.3	11.1	688.1	586.2	17.3	60.0	2,721	31.12.84*
36	(41)	General Accident	1,022.3	66	—	NR	NR	—	3.9	65.6	−94.0	NR	9,347	31.12.84
37	(39)	Trust House Forte	997.8	29	66	1,148.6	1,012.0	13.4	105.2	82.1	28.1	14.1	55,900	31.10.84*
38	(56)	Tesco Stores (Holdings)	976.0	26	17	3,000.4	2,594.5	15.6	81.3	67.4	20.6	20.1	42,020	23.2.85
39	(47)	Reuters	967.1	32	160	313.0	242.6	29.0	74.3	55.3	34.3	57.9	3,733	31.12.84
40	(33)	Consolidated Gold Fields	956.6	81	86	845.0	760.4	11.1	105.0	89.7	17.0	14.6	12,679	30.6.84
41	(14)	Plessey	899.1	5	51	1,415.7	1,252.4	13.0	163.7	176.1	−7.0	24.3	37,533	29.3.85
42	(43)	Sun Alliance and London Ins	883.5	66	—	NR	NR	—	47.6	73.4	−35.1	NR	12,879	31.12.84*
43	(49)	Associated British Foods	870.1	25	19	2,930.6	2,764.7	6.0	132.3	126.7	4.4	15.7	77,273	31.3.85
44	(109)	Dee Corporation	869.1	26	21	2,434.1	1,387.0	75.4	64.3	28.3	127.2	43.5	43,240	27.4.85
45	(45)	Midland Bank	857.6	62	—	NR	NR	—	135.0	225.0	−40.0	8.6†	67,065	31.12.84
46	(55)	Tarmac	847.6	2	55	1,276.6	1,123.5	13.6	109.6	89.6	22.3	34.5	24,264	31.12.84
47	(38)	Commercial Union	841.8	66	—	NR	NR	—	(72.8)	9.3	—	NR	6,743	31.12.84*
48	(79)	P and O Steam Navigation	839.6	45	50	1,434.4	1,308.6	9.6	69.6	56.7	22.7	11.7	20,948	31.12.84
49	(52)	Whitbread	828.6	22	49	1,444.0	1,185.7	21.7	110.1	95.1	15.7	12.7	31,446	2.3.85
50	(24)	Racal Electronics	821.4	5	71	1,107.0	815.7	35.7	132.3	119.2	10.9	28.0	25,220	31.3.85
51	(94)	Fisons	806.5	42	120	506.0	279.2	81.2	48.3	31.2	54.8	25.6	8,634	31.12.84
52	(40)	Hawker Siddeley Group	798.1	6	46	1,600.0	1,457.0	9.8	151.5	137.5	10.1	14.5	41,500	31.12.84
53	(58)	Cadbury Schweppes	792.6	25	34	2,016.2	1,702.8	18.4	124.0	106.9	16.9	26.0	35,455	29.12.84
54	(71)	Burton Group	782.3	34	133	415.9	299.2	39.0	56.4	39.1	44.2	22.6	12,160	1.9.84
55	(60)	Sedgwick Group	782.0	67	—	NR	NR	—	85.5	80.1	6.7	41.3	6,320	31.12.84
56	(35)	Thorn EMI	760.6	29	14	3,204.4	2,820.9	13.5	108.3	156.8	−30.9	14.4	90,327	31.3.85
57	(53)	Reckitt and Colman	757.5	27	69	1,124.4	981.0	14.6	106.4	88.8	19.8	31.6	34,800	31.12.84
58	(44)	Standard Chartered	741.7	62	—	NR	NR	—	290.3	268.1	8.2	28.6†	5,131	31.12.84*
59	(31)	STC	731.8	5	36	1,966.7	1,767.3	11.2	140.8	138.3	1.8	27.9	52,218	31.12.84*
60	(65)	Royal Bank of Scotland	724.7	62	—	NR	NR	—	131.3	95.5	37.4	20.1†	16,000	30.9.84
61	(64)	BET	719.3	11	61	1,197.6	1,074.4	11.4	103.5	85.7	20.7	20.9	45,233	31.3.85
62	(59)	Smith and Nephew Associates	714.6	27	147	374.1	314.0	19.1	55.5	44.6	24.4	30.0	11,635	29.12.84
63	(42)	British Aerospace	700.1	6	20	2,467.9	2,300.3	7.2	120.2	82.3	46.0	12.1	76,998	31.12.84
64	(63)	Reed International	698.8	33	29	2,115.2	2,043.0	3.5	107.5	96.4	11.5	17.5	45,200	31.3.85
65	(66)	United Biscuits	670.3	25	43	1,669.5	1,356.7	22.3	87.2	83.3	4.6	22.3	41,131	29.12.84*
66	(170)	Dixons Group	651.8	34	101	606.7	350.8	72.9	39.6	20.5	93.1	15.5‡	7,581	27.4.85*
67	(75)	Rank Organisation	633.3	29	93	724.7	742.9	−2.4	105.3	69.3	51.9	16.9	17,780	31.10.84
68	(—)	Abbey Life	632.8	65	—	NR	NR	—	9.1	NA	—	NR	2,119	31.12.84*
69	(51)	Hammerson Property	627.8	69	—	NR	NR	—	33.4	26.9	24.1	8.4	318	31.12.84*
70	(68)	Pearson	627.4	11	87	843.2	730.4	15.4	98.4	77.4	28.4	20.5	22,934	31.12.84
71	(106)	Woolworth Holdings	617.1	34	64	1,166.1	1,263.6	−8.0	105.8	56.5	87.2	17.8	52,667	2.2.85*
72	(76)	Rowntree Mackintosh	606.4	25	65	1,156.5	951.9	21.4	74.5	61.2	21.7	19.4	32,400	29.12.84
73	(69)	Blue Circle Industries	586.2	2	81	870.3	906.5	−3.9	113.2	109.5	3.3	10.9	18,998	31.12.84
74	(67)	Pilkington Brothers	580.7	2	50	1,226.9	1,214.4	1.0	116.0	88.3	31.3	9.7	44,000	31.3.85
75	(77)	British Home Stores	577.6	34	112	550.4	494.4	11.3	61.0	55.2	10.5	24.1	24,354	31.3.85
76	(62)	Redland	553.2	2	77	954.8	900.3	6.0	108.2	93.8	15.3	23.8	11,953	30.3.85§
77	(54)	MEPC	551.4	69	—	NR	NR	—	45.2	40.4	11.8	6.9	736	30.9.84
78	(46)	Ultramar	545.9	51	13	3,260.4	2,057.1	58.4	284.9	156.0	82.6	35.6	4,016	31.12.84
79	(107)	Argyll Group	544.3	26	42	1,677.0	1,486.3	12.6	53.1	40.1	32.4	33.2	36,800	30.3.85
80	(70)	Courtaulds	531.1	35	28	2,151.9	2,038.1	5.5	128.2	117.8	8.8	20.1	70,000	31.3.85
81	(91)	Willis Faber	525.5	67	—	NR	NR	—	47.0	33.3	22.7	42.9	3,321	31.12.84
82	(61)	Guest, Keen and Nettlefolds	525.7	9	27	2,160.6	1,974.5	9.4	120.2	88.1	36.4	15.9	54,903	31.12.84
83	(82)	Northern Foods	505.9	25	56	1,272.4	1,302.0	−2.2	55.4	53.3	3.9	20.6	22,264	31.3.85*
84	(124)	Debenhams	501.9	34	92	728.3	683.6	6.6	40.7	32.7	24.4	13.2	17,435	2.2.85
85	(57)	Ferranti	494.9	5	107	567.9	451.7	25.7	46.0	38.8	18.5	26.2	20,454	31.3.85
86	(121)	Guinness	494.4	22	79	923.7	872.4	5.8	70.4	58.8	19.7	21.1	11,216	30.9.84
87	(73)	Harrisons and Crosfield	490.9	91	54	1,300.4	1,011.6	28.5	83.2	56.6	46.9	17.0	24,650	31.12.84
88	(—)	Jaguar	478.8	9	99	634.1	472.6	34.1	91.5	50.0	83.0	59.9‡	9,662	31.12.84*
89	(96)	Sun Life Assurance Society	475.0	65	—	NR	NR	—	12.0	10.0	20.0	NR	2,377	31.12.84
90	(114)	Bank of Scotland	449.5	62	—	NR	NR	—	80.4	59.3	35.5	30.5†	9,862	28.2.85
91	(102)	Coats Patons	442.7	35	73	1,076.0	888.0	21.1	109.8	87.0	26.2	23.6	42,842	31.12.84
92	(92)	Exco International	442.4	70	192	210.7	84.1	150.5	80.7	32.5	148.3	64.5	1,749	31.12.84
93	(84)	English China Clays	441.9	10	103	604.2	490.2	23.2	63.8	46.5	37.2	16.0	12,440	30.9.84
94	(89)	Lonrho	440.1	91	23	2,367.0	2,366.0	0.4	135.4	113.2	19.6	16.7	148,394	30.9.84
95	(61)	BPB Industries	433.5	2	108	564.3	528.1	6.8	78.6	79.7	−1.3	26.3	10,610	31.3.85
96	(86)	Ladbroke Group	432.5	29	70	1,115.9	846.9	31.7	50.2	41.8	20.0	14.5	18,479	1.1.85
97	(80)	Imperial Cont'l Gas Assoc	426.7	51	97	649.9	546.0	19.0	80.0	50.0	60.0	16.8	10,626	31.3.85
98	(125)	Granada Group	424.9	29	98	634.2	521.1	21.7	53.8	43.5	23.6	16.3	15,556	29.9.84
99	(138)	Ranks Hovis McDougall	420.0	25	58	1,230.4	1,636.9	−24.8	51.1	44.1	15.8	14.7	37,973	1.9.84*
100	(98)	British and Commonwealth Ship	418.7	46	145	376.5	350.3	7.4	66.2	58.5	13.1	17.9	9,404	31.12.84
101	(120)	Pearl Assurance	415.1	65	—	NR	NR	—	14.6	18.1	−19.3	NR	8,795	31.12.84*
102	(83)	Rothschild J	414.4	71	—	NR	NR	—	70.1	NA	—	10.4‡	6,332	31.3.85*
103	(87)	Scottish and Newcastle Brews	399.5	22	94	707.2	692.5	2.1	65.2	55.2	18.1	15.1	21,054	28.4.85
104	(179)	Cookson Group	394.9	10	116	535.0	330.2	62.0	56.8	21.7	157.1	23.8	6,325	31.12.84
105	(119)	Smiths Industries	389.3	6	139	388.7	380.7	2.1	35.2	26.3	35.0	20.0	10,864	4.8.84*
106	(78)	BICC	386.1	4	35	1,985.1	1,778.4	11.6	90.0	82.0	9.7	22.0	48,491	31.12.84
107	(101)	Habitat Mothercare	385.0	34	127	446.7	375.4	18.9	36.5	30.6	19.2	27.7	10,959	31.3.85
108	(104)	Laporte Industries	382.4	42	182	241.8	191.8	26.0	47.5	30.2	57.2	33.2	3,597	30.12.84
109	(105)	Dowty Group	377.1	6	125	462.7	402.5	14.9	44.2	36.5	21.0	17.1	15,373	31.12.84
110	(117)	Unigate	374.5	25	38	1,932.2	1,766.2	9.3	63.6	57.1	11.3	18.5	37,100	31.3.85
111	(139)	Smith W.H. and Son	372.5	34	74	1,067.2	1,290.2	—	43.1	43.4	—	23.2	22,082	1.6.85*
112	(103)	Rothmans International	370.2	36	45	1,604.0	1,510.7	6.1	121.9	151.2	−19.3	15.6	23,421	31.3.85
113	(—)	Enterprise Oil	354.0	51	169	266.7	142.5	—	138.5	83.2	—	46.4	47	31.12.84*
114	(129)	Burmah Oil	349.4	51	41	1,720.5	1,578.9	8.9	70.0	64.9	7.8	16.0	16,449	31.12.84*
115	(143)	Saatchi and Saatchi	346.6	12	84	855.4	603.2	41.8	20.0	11.2	78.5	50.5‡	3,748	30.9.84
116	(127)	Metal Box	337.0	33	67	1,130.1	1,263.1	−10.5	68.1	70.1	−2.8	19.0	30,309	31.3.85
117	(133)	Booker McConnell	335.5	11	72	1,098.9	1,032.0	6.2	36.8	25.1	46.6	26.2	13,558	31.12.84
118	(184)	Bunzl	327.8	33	83	857.2	540.6	58.5	27.6	17.3	59.5	32.9	4,892	31.12.84
119	(113)	Inchcape	324.7	91	31	2,086.0	1,741.9	19.7	78.9	53.0	48.8	14.9	47,735	31.12.84
120	(130)	De La Rue	323.6	12	154	337.0	271.8	23.9	46.4	37.4	24.0	21.8	11,020	31.3.85
121	(100)	Slough Estates	320.6	89	—	NR	NR	—	33.6	20.2	66.3	10.1	327	31.12.84
122	(90)	Berisford S and W	319.7	25	7	5,703.0	4,252.6	34.1	80.2	56.6	44.2	18.7	9,182	30.9.84
123	(97)	Wimpey (George)	318.8	3	46	1,446.0	1,393.0	3.8	38.2	45.0	−15.1	8.8	25,000	31.12.84
124	(—)	Christian Salvesen	315.1	25	174	256.4	210.8	21.6	33.4	26.2	27.4	23.7	5,386	31.3.85*
125	(128)	Tate and Lyle	314.2	25	40	1,721.9	1,783.7	−3.4	69.2	57.3	20.7	20.3	11,883	29.9.84
126	(93)	RMC Group	310.6	2	63	1,174.9	1,048.5	12.0	81.3	71.6	13.5	23.3	17,089	31.12.84
127	(99)	Dalgety	309.8	25	11	3,701.0	2,842.0	30.2	67.0	52.5	27.6	18.9	20,174	30.6.84
128	(149)	Bell (Arthur) and Sons	308.1	22	173	256.7	246.7	4.0	35.2	31.3	12.4	23.4	1,989	30.6.84
129	(131)	Harris Queensway Group	300.5	34	149	370.4	225.4	64.3	27.3	25.6	6.6	34.6	6,720	24.12.84
130	(118)	London and Scottish Marine Oil	293.4	51	175	253.4	215.5	17.5	113.1	89.9	25.8	29.2	258	31.12.84
131	(132)	Kwik Save Discount Group	279.9	26	100	617.0	536.4	15.2	31.8	27.4	16.0	37.5	5,694	25.8.84
132	(125)	Rentokil Group	278.4	12	233	151.4	125.1	21.0	24.8	20.6	20.3	45.3	7,436	31.12.84
133	(173)	Associated Newspapers	276.6	32	151	357.8	295.4	21.1	21.7	16.5	31.5	18.2	11,113	30.9.84
134	(155)	Taylor Woodrow	276.4	3	96	674.6	577.2	16.8	42.5	35.9	18.3	11.9	11,130	31.12.84
135	(—)	Hillsdown Holdings	276.2	25	75	983.2	569.7	72.5	18.9	11.5	64.3	16.4	14,069	31.12.84*
136	(161)	Lucas Industries	276.7	9	52	1,397.1	1,216.8	14.8	32.6	2.1	1,452.3	7.9	66,485	31.7.84
137	(144)	Costain Group	275.2	3	85	846.0	723.0	17.0	54.3	46.4	17.0	18.4	4,715	31.12.84*
138	(142)	Kleinwort Benson Lonsdale	272.3	68	—	NR	NR	—	30.3	21.7	39.6	NR	1,121	31.12.84*
139	(112)	Electrocomponents	270.1	5	220	164.0	129.3	26.8	29.6	22.2	33.3	55.8	1,926	31.3.85
140	(111)	European Ferries	263.2	45	161	303.4	322.9	−4.1	44.7	45.4	−1.5	12.7	7,873	31.12.84
141	(157)	Stock Conversion	264.3	89	—	NR	NR	—	20.6	17.4	18.3	8.1	157	31.3.85
142	(143)	Hill Samuel Group	256.4	68	—	NR	NR	—	31.9	25.3	26.0	NR	3,950	31.3.85*
143	(205)	Hepworth J and Son	256.2	34	265	103.3	98.6	9.8	13.6	8.6	58.1	11.9	3,462	31.8.84
144	(151)	IMI	255.4	8	91	737.9	676.3	9.1	45.1	31.6	42.7	16.3	20,544	31.12.84
145	(—)	British Printing and Comm Corp	250.6	32	170	266.5	230.8	15.4	37.9	22.1	71.4	28.5	7,383	31.12.84
146	(156)	Dawson International	245.3	35	171	265.6	179.2	48.2	35.1	25.3	38.7	33.3	9,112	31.3.85
147	(175)	Vickers	244.8	6	116	528.8	655.2	−19.2	30.8	19.5	57.9	12.8	15,403	31.12.84
148	(169)	Fleet Holdings	243.1	32	157	366.6	324.5	12.9	28.5	22.2	28.3	18.2	8,094	30.6.85§
149	(122)	Magnet and Southerns	236.2	2	188	219.9	194.0	13.3	28.2	32.1	−12.1	16.2	5,310	31.3.85
150	(176)	Equity and Law Life Ass Soc	233.9	65	—	NR	NR	—	5.6	4.5	24.4	NR	1,621	31.12.84*
151	(72)	Bowater Industries	226.9	33	57	1,266.4	1,078.8	17.3	35.7	27.6	29.3	15.1	25,200	31.12.84*
152	(172)	Savoy Hotel	213.4	29	336	51.8	43.3	19.6	8.1	4.4	84.0	26.9	2,724	31.12.84
153	(163)	Avana Group	212.7	25	204	193.6	178.1	8.7	18.9	16.7	13.1	30.0	4,840	30.3.85
154	(165)	Polly Peck International	211.1	91	239	137.2	84.2	62.9	50.6	30.0	68.6	95.9	887	1.9.84*
155	(173)	Caledonia Investments	206.2	70	393	9.5	9.6	−1.0	6.6	5.9	11.8	3.3	278	31.3.85
156	(141)	Allied Colloids Group	204.0	42	273	102.1	82.7	23.4	19.3	18.2	6.0	41.9	1,497	31.3.85
157	(312)	Carlton Communications	203.2	29	376	21.6	15.3	41.1	5.5	3.5	57.1	54.1	404	30.9.84§
158	(140)	Great Portland Estates	200.1	69	—	NR	NR	—	16.8	15.0	12.0	6.1	NA	31.3.85*
159	(220)	United Newspapers	199.6	32	222	162.7	113.1	43.8	18.7	8.9	110.1	36.3	6,566	31.12.84*
160	(187)	Coalite Group	198.6	42	123	466.8	441.8	5.6	33.5	32.5	3.0	24.7	5,935	31.3.85
161	(158)	Nottingham Manufacturing	196.2	35	187	222.1	206.7	7.4	21.5	24.6	−12.6	16.4	13,486	31.12.84
162	(203)	Delta Group	194.8	6	106	590.2	512.8	15.0	45.7	31.8	43.7	21.4	17,650	29.12.84
163	(323)	Ward White Group	194.2	34	179	244.6	179.4	36.3	14.3	8.8	62.5	27.0	7,639	31.1.85
164	(171)	Greenall Whitley and Co	193.4	22	168	287.4	258.7	11.0	28.3	24.0	17.9	12.9	5,350	28.9.84
165	(135)	Charter Consolidated	190.3	10	90	754.5	614.1	22.8	16.5	37.0	−55.4	5.9	21,422	31.3.85
166	(189)	Bejam Group	189.9	26	162	303.0	259.2	16.8	16.3	12.4	31.4	37.8	2,583	30.6.84
167	(137)	Hepworth Ceramic Holdings	188.8	2	144	377.7	338.6	11.5	35.2	33.5	5.0	18.6	8,088	31.12.84
168	(181)	Heath C.E.	186.8	67	—	NR	NR	—	30.1	19.1	57.6	45.3	1,788	31.3.85
169	(153)	Tricentrol	185.2	51	255	120.3	122.0	−1.3	39.3	43.7	−10.0	14.9	218	31.12.84*
170	(174)	Steetley	185.1	10	132	420.6	384.7	9.3	32.7	23.2	40.9	18.7	6,473	31.12.84
171	(146)	Mercury Securities	184.6	68	—	NR	NR	—	28.7	21.3	34.7	NR	1,168	31.3.85*
172	(145)	Mercantile House Holdings	181.5	70	—	NR	NR	—	52.2	56.9	−8.2	210.8	4,843	30.4.85
173	(152)	Northern Engineering Inds	181.4	6	80	883.1	872.8	1.1	40.1	43.8	−8.4	16.3	29,937	31.12.84§
174	(194)	Ocean Transport and Trading	180.6	45	88	779.8	659.7	18.2	23.7	7.2	298.6	15.5	7,578	31.12.84
175	(207)	London and Manchester Group	178.6	65	—	NR	NR	—	5.8	4.7	23.4	NR	1,960	31.12.84*
176	(134)	Farnell Electronics	176.0	5	302	72.7	58.3	24.6	20.3	15.8	28.4	57.3	1,587	3.2.85*
177	(190)	Foseco Minsep	175.9	42	126	458.3	376.4	21.7	34.5	20.6	67.4	22.8	10,300	31.12.84
178	(166)	Babcock International	171.3	6	68	1,129.8	1,016.3	11.1	31.6	34.1	−7.3	12.9	24,918	30.12.84
179	(206)	Amersham International	170.5	27	266	108.2	87.6	23.5	17.1	13.7	24.8	33.1	2,498	31.3.85
180	(167)	Marley	168.6	2	109	557.8	500.9	11.3	33.1	28.2	17.3	17.5	11,902	31.12.84
181	(215)	Glynwed International	165.8	8	119	514.1	487.2	5.5	26.5	21.2	25.0	17.3	13,919	29.12.84
182	(180)	Capital and Counties Property	165.0	69	—	NR	NR	—	10.0	10.5	−4.7	6.1	487	25.3.85
183	(198)	Transport Development Group	164.7	45	131	434.7	367.7	18.2	24.1	21.0	14.7	16.2	12,005	31.12.84
184	(183)	Powell Duffryn	159.3	11	111	554.0	533.2	3.9	20.6	18.3	12.5	15.6	9,783	31.3.85
185	(272)	Mount Charlotte Investments	159.2	29	350	43.7	27.7	57.7	10.0	4.6	117.3	17.8	2,644	30.12.84
186	(164)	London Merchant Securities	158.3	69	—	NR	NR	—	16.5	13.1	25.9	7.8	87	31.3.85
187	(196)	AMEC	156.6	3	95	686.7	715.3	−3.9	27.1	26.1	3.8	27.2	18,451	31.12.84
188	(227)	Wolseley Hughes	156.6	11	129	445.2	358.7	24.1	25.9	15.8	63.9	25.6	4,759	31.12.84
189	(232)	Refuge Group	156.2	65	—	NR	NR	—	6.3	5.6	12.5	NR	3,581	31.12.84*
190	(252)	Vantona Viyella	156.1	36	141	384.8	307.3	25.2	21.1	12.0	75.8	20.6	18,754	30.11.84
191	(177)	Norcros	155.9	10	146	374.9	348.6	7.5	34.3	33.0	3.9	23.8	11,862	31.3.85
192	(241)	Britannic Assurance	155.1	65	—	NR	NR	—	5.5	4.6	19.5	NR	4,416	31.12.84*
193	(250)	Scapa Group	154.3	35	219	168.5	125.8	33.9	27.7	18.9	46.5	32.0	4,788	31.3.85
194	(110)	Lex Service Group	153.5	9	62	1,196.9	887.5	34.8	46.8	38.3	22.1	27.8	9,138	30.12.84
195	(186)	Hambros	152.7	68	—	NR	NR	—	12.8	10.2	25.4	NR	1,406	31.3.85*
196	(267)	Pleasurama	152.1	29	264	108.5	33.4	—	25.3	17.1	—	37.2	4,566	30.12.84*
197	(287)	Freemans	151.7	34	159	317.8	281.9	12.7	22.0	14.1	56.0	23.7	5,214	26.1.85
198	(242)	LRC International	151.0	27	202	196.0	159.4	22.9	18.8	15.0	25.3	33.9	8,744	31.3.85
199	(193)	TI Group	150.6	6	76	971.2	914.3	6.2	19.0	16.3	16.5	12.2	29,000	31.12.84
200	(181)	Laing Properties	148.1	69	—	NR	NR	—	13.2	11.1	18.9	7.7	511	31.12.84
201	(289)	Tootal Group	147.1	35	130	436.4	387.3	12.4	22.9	17.2	33.1	16.4	13,901	31.1.85
202	(200)	Rugby Portland Cement	146.4	2	198	200.0	168.0	19.0	27.8	24.2	14.8	16.3	3,236	31.12.84
203	(—)	Pentland Industries	144.2	35	280	115.3	51.5	123.8	12.9	1.7	658.8	160.3	888	31.12.84
204	(195)	Croda International	143.8	42	142	383.5	341.1	12.4	20.0	17.6	13.8	20.1	5,633	30.12.84
205	(204)	British Land	143.4	69	—	NR	NR	—	11.8	9.0	31.1	7.8	1,211	31.3.85
206	(226)	Fitch Lovell	143.0	26	124	483.2	471.4	−1.7	16.3	16.1	1.2	21.7	6,672	27.4.85
207	(244)	Case Group	142.8	5	280	95.1	62.1	53.1	10.5	7.2	45.8	32.1	1,546	31.3.85*
208	(237)	DRG	140.7	33	102	605.7	543.4	11.4	26.0	16.1	61.4	21.6	12,254	31.12.84
209	(197)	Bowthorpe Holdings	138.4	5	261	112.5	87.2	29.0	20.9	15.2	37.5	37.0	2,905	31.12.84
210	(234)	Menzies John (Holdings)	138.9	34	121	505.3	461.2	9.5	17.1	13.2	29.5	29.5	8,913	2.2.85
211	(188)	Telephone Rentals	138.2	44	312	67.6	57.6	17.3	14.7	14.2	3.5	21.0	2,188	31.12.84
212	(217)	Flight Refuelling (Holdings)	136.6	8	317	64.4	48.1	33.8	10.5	7.6	38.1	28.4	2,204	31.12.84
213	(245)	Morgan Crucible	136.3	10	199	199.3	160.3	24.3	15.5	9.8	58.1	20.8	6,348	30.12.84
214	(159)	Barratt Developments	135.3	3	114	537.6	512.9	4.8	35.6	50.3	−29.2	15.0	5,504	30.6.84§
215	(313)	Home Charm	135.3	34	212	183.1	136.4	34.2	10.8	7.0	54.2	47.3	3,065	29.12.84
216	(202)	Hawley Group	135.1	11	164	298.1	137.0	117.5	31.5	14.2	121.8	28.6	32,439	31.12.84*
217	(182)	Haslemere Estates	134.7	69	—	NR	NR	—	6.5	5.8	12.0	5.2	38	31.3.85
218	(221)	Britannia Arrow Holdings	133.1	70	—	NR	NR	—	14.1	10.1	39.6	19.7	1,287	31.12.84
219	(294)	Octopus Publishing Group	131.8	32	334	53.4	37.2	43.5	9.1	6.3	44.4	52.5	334	31.12.84
220	(291)	AE	131.6	9	137	398.4	369.6	7.7	17.3	0.4	4,225.0	12.8	16,297	30.9.84
221	(201)	Minet Holdings	131.1	67	—	NR	NR	—	23.3	20.4	14.2	49.0	2,637	31.12.84
222	(233)	VG Instruments	130.0	4	339	50.9	38.6	31.8	10.6	7.3	45.2	44.0	1,190	31.12.84
223	(261)	Stakis	129.2	29	242	134.6	99.8	34.8	10.2	6.5	56.9	23.6	5,167	30.9.84
224	(210)	Schroders	129.0	68	—	NR	NR	—	15.1	14.4	4.8	NR	1,316	31.12.84*
225	(209)	Simon Engineering	127.2	6	118	520.9	376.1	38.5	25.6	21.7	17.9	23.3	11,102	31.12.84
226	(258)	Laird Group	127.2	6	168	318.4	305.5	4.2	24.1	21.1	14.2	23.5	7,964	31.12.84
227	(258)	Security Services	125.5	12	176	247.6	231.2	7.0	10.1	8.9	13.4	21.9	33,454	28.9.84
228	(219)	Mills and Allen International	125.1	70	—	NR	NR	—	20.2	19.1	5.7	68.3	2,568	30.6.84
229	(222)	Meyer International	124.4	2	113	548.8	549.9	−0.2	30.3	32.7	−7.3	15.8	8,343	31.3.85
230	(316)	Dunhill Holdings	124.3	39	258	117.2	96.9	20.9	15.1	11.1	36.0	24.2	1,712	31.3.85
231	(270)	Stewart Wrightson Holdings	124.0	67	—	NR	NR	—	13.8	10.7	28.9	21.2	2,521	31.12.84
232	(224)	Atlantic Computers	122.8	5	278	96.1	59.8	60.7	10.5	5.2	101.9	38.4	267	31.12.84
233	(239)	First National Finance	120.4	70	—	NR	NR	—	17.6	11.4	54.3	22.0	911	31.10.84
234	(212)	Oxford Instruments Group	119.7	5	324	59.1	44.0	34.3	9.2	6.1	50.8	35.9	898	31.3.85
235	(274)	Guinness Peat Group	119.4	68	—	NR	NR	—	10.5	(2.1)	—	NR	1,323	30.9.84*
236	(280)	Daily Mail and General Trust	119.1	70	—	NR	NR	—	13.8	10.9	26.6	12.7	11	30.9.84
237	(238)	Superdrug Stores	118.0	34	247	131.6	101.5	29.6	8.7	6.8	27.9	35.8	3,364	2.3.85*
238	(162)	Carless Capel and Leonard	117.9	51	246	132.3	99.6	32.8	8.5	4.9	73.4	12.9	475	31.3.85
239	(150)	Charterhouse Petroleum	114.7	91	293	83.2	18.5	349.7	35.4	9.6	268.7	22.7‡	82	31.12.84
240	(281)	Morrison Wm Supermarkets	114.5	26	155	336.2	270.4	24.3	11.7	10.0	17.0	26.2	6,230	2.2.85*
241	(289)	Finlay (James)	113.8	91	185	236.3	175.4	34.7	37.9	27.7	36.8	26.3	32,999	31.12.84
242	(299)	Beazer C. H. Holdings	113.5	3	245	132.6	71.3	85.9	11.3	6.2	82.2	26.3	2,415	30.6.84
243	(305)	Siebe	113.3	11	191	212.6	156.1	36.1	17.1	11.3	51.3	22.8	6,938	6.4.85
244	(85)	Johnson Matthey	113.2	8	47	1,494.6	1,333.0	12.1	20.1	36.6	−45.0	8.7	9,271	31.3.85*
245	(240)	Extel Group	111.7	12	213	182.5	149.5	22.0	10.9	10.6	2.8	37.0	3,166	31.3.85
246	(292)	Nurdin and Peacock	111.1	26	104	596.1	516.4	15.4	13.2	12.0	10.0	26.6	2,494	29.12.84
247	(255)	Collins (William) and Sons	110.4	32	252	123.6	105.1	17.6	11.8	8.6	37.2	27.7	2,748	30.12.84*
248	(284)	Vaux Group	110.3	22	260	128.8	108.8	18.5	13.0	12.1	7.4	12.8	4,285	29.9.84
249	(257)	Spirax-Sarco Engineering	109.6	8	294	82.2	59.2	38.8	14.2	11.0	29.0	26.8	2,684	31.12.84
250	(243)	Laing (John)	108.5	3	89	755.1	691.7	10.6	30.3	23.8	27.3	35.2	14,100	31.12.84

FOOTNOTES FOR COMPANIES LISTED ON THIS PAGE

1 British Telecom, S/E listing 11/84. Market Cap is notional figure based on part-paid share price. 2 British Petroleum, Turnover excludes duty and sales taxes. ROCE equivalent to 36.5% before deducting production taxes. 3 Shell Transport & Trading, See Royal Dutch/Shell entry in European 500 table. 18 Great Universal Stores, Preliminary results. ROCE calculated on pre-tax profit after interest. Emp=1984. 24 Imperial Group, Turnover includes duties. 29 Trafalgar House, Turnover includes inter-company sales and share of associates. 30 Associated Diaries, Figs exclude MFI Group acquired 14.6.85. 33 Distillers Company, Turnover excludes excise duty of £342.1m (£327.3m). 35 Britoil, Turnover excludes sales of petroleum purchased from third parties. 37 Trust House Forte, Turnover includes property disposals of £17.2m (£48.9m). 42 Sun Alliance & London Ins, Emp=UK. 47 Commercial Union, Emp=UK average. 58 Standard Chartered, Formerly Standard Chartered Bank. 59 Standard Telephone & Cables, Figs prepared in accordance with merger accounting principles following acquisition of ICL, 20/9/84. ROCE calculated assuming merger effective at beginning of year. 65 United Biscuits, Turnover is after deducting trade discounts. 66 Dixons Group, Figs include Currys for 21 weeks to 4/85. 68 Abbey Life, S/E listing 6/85. Profit is net of tax and includes transfer from Life Fund of £9.0m. 69 Hammerson Property Investment & Development Corporation. 71 Woolworth Holdings, This year's figs for 53 weeks to 2/2/85 before exceptional items. 83 Northern Foods, Previous year's figs are pro-forma accounts covering 12 month period for comparative purposes. Audited figs cover 18 months to 31/3/84. 88 Jaguar, S/E listing 8/84. 99 Ranks Hovis McDougall, previous year's turnover includes £490.0m in respect of agricultural division, sold 3/9/83. 101 Pearl Assurance, Profit is net of tax. 102 Rothschild J Holdings, Formerly Charterhouse J. Rothschild—incorporated 25/11/83. Figs are for 15 months and prepared in accordance with merger accounting principles. 105 Smiths Industries, This year's figs for 53 weeks ended 4/8/84. 111 Smith W H & Sons, Previous year's figs for 70 weeks to 2/6/84. 113 Enterprise Oil, S/E listing 6/84. Previous year's figs for 8 months to 31/12/83. 114 Burmah Oil, Turnover excludes duties and taxes. 124 Christian Salvesen, S/E listing 6/85. 135 Hillsdown Holdings, S/E listing 2/85. 137 Costain Group, Turnover includes associated company turnover. 138 Kleinwort Benson Lonsdale, Profit is net of tax. 142 Hill Samuel Group, Profit is before extraordinary items but net of tax. Emp=UK average. 150 Equity & Law Life Ass. Soc, Profit is after transfers to and from revenue accounts and is net of tax. 151 Bowater Industries, Previous year's figs are pro-forma, restated to exclude Bowater Inc following demerger 7/84. ROCE calculation assuming demerger at beginning of year. 154 Polly Peck International, Figs prepared in accordance with merger accounting principles following acquisition of Weerwell. ROCE calculated assuming merger effective at beginning of year. 158 Great Portland Estates, Profit=net revenue on ordinary activities before tax. 159 United Newspapers, Turnover and profit figs exclude Link House Group acquired 27/12/84 but Employee fig includes LHG. ROCE calculated assuming merger effective at beginning of year. 169 Tricentrol, Turnover includes oil trading sales of £1051.3m (£621.7m). Profit is before PRT and corporation tax. 171 Mercury Securities, Profit is net of tax. 175 London & Manchester Group, Profit is net of tax. 176 Farnell Electronics, This year's figs for 53 weeks to 3/2/85. 189 Refuge Group, Incorporated 11/10/84 and acquired entire share capital of Refuge Assurance. 192 Britannic Assurance, Profit is after transfers to and from Revenue accounts and is net of tax. 195 Hambros, Profit is before extraordinary items and transfers but after minority interest and net of tax. 196 Pleasurama, This year's figs for 15 months to 30/12/84. 207 Case Group, Formerly Computer & Systems Engineering. Figs restated in accordance with merger a/c principles following acquisition of Ruxon Inc 5/84. ROCE calculated assuming merger effective at beginning of year. 216 Hawley Group, Group reorganisation, 11/84—New parent co. Hawley Group Ltd. ROCE calculated assuming merger with Electro-Protective as effective at beginning of year. 224 Schroders, Profit=disclosed profit after transfers to reserves, interest and capital profits. 235 Guinness Peat Group, with merger accounting principles. Previous year's figs for 17 months to 30/9/83. 237 Superdrug Stores, This year's figs for 53 weeks to 2/3/85. 240 Morrison William Supermarkets, This year's figs are for 53 weeks to 2/2/85. 244 Johnson Matthey, 1984 fig includes results for Johnson Matthey Bankers Ltd of (£3.5m). 247 Collins (William) & Sons, Previous year's figs cover 53 weeks to 1/1/84.

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Ranking This	Last	Company	Market cap. £m	Sector	Ranking	Turnover this year £m	Turnover last year £m	% change	Profit this year £m	Profit last year £m	% change	ROCE	Number of employees	Year end
251	(248)	Associated British Ports	106.7	46	238	138.2	154.3	−10.4	(6.4)	14.5	—	NA	8,231	31.12.84
252	(214)	Gill and Duffus Group	105.7	91	39	1,888.9	1,251.7	50.9	17.1	20.4	−16.1	19.9	2,840	31.12.84
253	(216)	Electronic Rentals Group	105.6	25	201	197.2	192.5	2.4	15.2	11.2	35.7	15.1	6,110	31.3.85
254	(262)	Hall (Matthew)	105.3	6	143	382.8	361.2	5.9	14.2	12.9	10.0	27.3	7,465	31.12.84
255	(356)	Hazlewoods Foods	105.0	25	311	69.1	35.2	93.4	6.1	3.1	96.7	19.5‡	1,820	31.3.85
256	(309)	Grattan	104.6	34	189	219.1	195.3	12.1	9.6	3.5	174.2	17.2	2,992	31.1.85
257	(293)	W'hampton and Dudley Brews.	104.6	22	281	94.6	86.3	9.6	13.5	12.5	8.0	23.4	4,352	30.9.84
258	(341)	Greycoat City Offices	104.4	69	—	NR	NR	—	4.0	2.5	60.0	6.7	30	31.3.85
259	(248)	Portals Holdings	100.1	11	197	201.7	179.2	12.5	17.5	16.6	5.4	17.5	4,289	31.12.84
260	(236)	Brixton Estate	99.2	69	—	NR	NR	—	9.0	8.3	8.4	6.9	111	31.12.84
261	(218)	Cambridge Electronic Inds.	97.9	5	270	129.3	103.9	24.4	11.9	9.7	22.6	25.4	5,789	31.12.84
262	(185)	United Scientific Holdings	97.1	6	256	120.0	131.8	−8.9	12.1	15.2	−20.3	19.9	3,641	30.9.84
263	(256)	Turner and Newall	95.8	10	122	471.9	488.5	−3.3	20.5	12.5	64.0	9.4	21,070	31.12.84
264	(315)	Stockley	95.6	69	—	NR	NR	—	0.1	NA	—	0.5‡	8	30.11.84*
265	(235)	Unitech	93.5	5	196	204.7	154.1	32.8	15.0	13.1	14.5	36.1	3,349	1.6.85
266	(333)	M and G Group	92.5	70	—	NR	NR	—	7.1	6.0	18.3	26.7	300	30.9.84*
267	(208)	Pritchard Services Group	92.3	12	128	446.5	324.8	37.5	15.0	12.8	17.1	29.6	51,674	30.12.84
268	(303)	Bradford Property Trust	92.2	69	—	NR	NR	—	10.5	9.4	11.7	30.7	87	5.4.84
269	(—)	IBL	91.8	5	230	153.2	97.8	56.6	7.5	3.0	150.0	10.3‡	162	31.12.84*
270	(282)	Wilson (Connolly) Holdings	91.7	3	299	76.8	62.5	22.8	15.8	13.2	19.6	23.4	698	31.12.84*
271	(326)	Securicor Group	91.0	12	167	284.1	267.5	6.2	12.8	11.5	11.3	21.1	34,126	28.9.84
272	(379)	Systems Designers Int'l	89.8	12	367	29.5	24.2	21.9	2.9	2.6	11.5	64.3	1,080	31.12.84*
273	(361)	Davy Corporation	89.7	6	106	580.9	640.1	−9.2	13.0	7.5	73.3	12.8	9,060	31.3.85
274	(265)	Gerrard and National	89.6	63	—	NR	NR	—	5.2	10.1	−48.5	NR	NA	5.4.85*
275	(—)	Wates City of London Props.	89.4	69	—	NR	NR	—	1.5	NA	—	3.0‡	14	31.12.84*
276	(286)	Premier Consolid. Oilfields	89.1	61	392	9.9	5.0	98.0	4.5	1.0	350.0	15.6	101	31.3.85*
277	(319)	Brammer	89.1	6	288	86.5	67.5	28.1	10.2	6.9	47.8	32.2	1,596	31.12.84
278	(288)	UEI	88.8	5	291	83.5	68.4	22.0	10.4	8.2	26.8	28.5	1,898	31.1.85
279	(320)	Hogg Robinson Group	87.7	67	—	NR	NR	—	14.2	11.1	27.9	36.9	3,779	31.3.85
280	(322)	Etam	87.5	34	329	56.5	47.9	17.9	8.6	7.0	22.8	70.9	1,964	26.1.85
281	(298)	Highland Distillers	87.3	22	283	92.2	84.9	8.5	8.3	7.0	18.5	17.8	255	31.8.84
282	(—)	Renishaw	87.2	10	388	10.5	6.5	61.5	3.7	1.7	117.6	71.4	275	30.6.84*
283	(345)	French Kier Holdings	86.5	3	156	326.6	285.3	14.4	16.4	14.3	14.6	22.3	7,182	31.12.84
284	(—)	Sturge Holdings	86.4	70	—	NR	NR	—	4.9	3.7	32.4	55.7‡	429	30.9.84*
285	(317)	Provident Financial Group	86.1	70	—	NR	NR	—	19.4	17.6	10.2	16.4	5,031	31.12.84
286	(283)	Westpool Investment Trust	85.9	70	—	NR	NR	—	2.5	1.9	31.5	2.6	NA	30.4.85*
287	(263)	McCarthy and Stone	85.4	3	377	21.6	13.1	64.8	6.8	3.7	83.7	44.2	570	31.8.84
288	(295)	Pegler-Hattersley	84.4	6	227	154.4	152.6	1.1	18.1	17.0	6.4	15.1	4,406	30.3.85
289	(223)	MK Electric Group	84.0	4	249	127.1	117.8	7.8	18.1	17.6	2.8	25.4	5,311	30.4.85
290	(279)	Automated Security (Holdings)	84.0	12	369	28.9	24.2	19.4	6.3	4.4	43.1	24.8	1,332	30.11.84
291	(211)	Diploma	83.8	5	286	89.2	76.6	—	16.3	11.8	—	48.8	1,153	30.9.84*
292	(88)	BSR International	83.7	5	135	402.7	282.0	42.8	26.8	20.8	28.8	30.0	12,536	31.12.84
293	(290)	Alfred McAlpine	83.4	3	153	340.1	301.3	12.8	22.6	19.5	15.8	22.2	7,473	31.10.84*
294	(344)	Hillards	83.3	26	180	243.2	220.6	10.2	7.7	6.8	13.2	29.1	5,864	27.4.85
295	(369)	Brown (Matthew)	83.1	22	349	44.3	37.3	18.7	7.0	6.4	9.3	11.6	870	29.9.84
296	(278)	Property Holding and Inv. Tst.	82.9	69	—	NR	NR	—	5.8	5.2	11.5	5.3	37	31.3.85
297	(275)	Bilton (Percy)	82.7	69	—	NR	NR	—	10.2	9.9	3.0	9.6	479	31.12.84
298	(264)	APV Holdings	82.5	6	134	412.3	373.8	10.2	8.6	18.3	−53.0	9.5	9,497	31.12.84
299	(348)	LCP Holdings	82.2	11	168	278.9	300.0	−7.0	7.5	6.1	22.9	14.9	2,802	31.3.85
300	(300)	Hickson International	82.2	42	243	133.7	145.5	—	15.0	14.8	—	24.1	2,850	31.12.84*
301	(364)	Wedgwood	81.3	39	236	148.4	137.8	6.2	15.1	10.6	42.4	21.3	7,283	31.3.85
302	(276)	Chesterfield Properties	81.0	69	—	NR	NR	—	6.4	5.6	14.2	5.2	130	31.12.84
303	(—)	Iceland Frozen Foods Holdings	80.4	26	316	65.2	46.5	40.2	3.0	1.8	66.6	51.0	1,049	29.12.84*
304	(306)	Union Discount (London)	79.1	63	—	NR	NR	—	7.9	6.1	29.5	14.8†	81	31.12.84*
305	(422)	Low (William)	79.0	26	228	154.2	132.6	16.2	5.1	3.9	30.7	26.2	4,784	1.9.84
306	(310)	Queens Moat Houses	78.9	29	323	59.3	43.4	36.6	6.6	4.5	46.6	11.2	4,447	31.12.84
307	(271)	Scottish Metropolitan Prop.	78.6	69	—	NR	NR	—	6.8	6.5	4.6	6.9	25	15.8.84
308	(301)	London and Northern Group	78.4	3	178	244.8	213.4	14.7	18.4	15.5	18.7	21.4	5,615	31.12.84
309	(330)	Paterson Zochonis	78.3	27	172	262.6	275.9	−4.8	31.0	26.9	15.2	18.9	4,051	31.5.84
310	(230)	AGB Research	78.3	12	271	103.8	80.1	29.5	9.2	7.8	17.9	31.8	3,642	30.4.85
311	(357)	Ibstock Johnsen	78.2	2	263	110.3	87.7	25.7	12.4	6.3	96.8	20.5	2,387	31.12.84§
312	(419)	LEP Group	78.2	45	276	97.3	77.3	25.8	7.5	2.8	167.8	18.0	5,104	31.12.84
313	(410)	Henderson Administration Gp.	77.6	70	—	NR	NR	—	12.5	8.7	43.6	123.4	183	31.3.85
314	(359)	McCorquodale	77.2	32	262	111.4	102.0	9.2	8.1	7.3	10.9	20.2	4,409	30.9.84
315	(348)	Bullough	77.1	6	287	88.6	52.5	68.7	10.1	6.9	46.3	43.2	2,888	31.10.84
316	(277)	McKechnie Bros.	77.0	8	195	202.8	158.1	28.2	14.5	11.1	30.6	13.7	6,288	31.7.84
317	(342)	Steel Brothers Holdings	77.0	11	240	135.7	119.6	13.4	14.9	11.1	34.2	18.3	2,250	31.12.84
318	(—)	Evered Holdings	76.8	6	318	63.4	12.8	395.3	3.4	0.6	466.6	13.2‡	2,829	31.12.84
319	(331)	Samuel H.	76.7	34	267	107.6	78.6	37.0	5.8	5.2	11.5	13.9	4,419	2.2.85
320	(254)	Amstrad Consumer Electronics	76.3	5	290	84.9	51.8	63.8	9.1	8.0	13.7	76.2	553	30.6.84
321	(266)	Sketchley	76.2	12	225	159.2	101.2	57.3	10.2	10.8	−5.5	18.9	10,165	29.3.85
322	(365)	Black (Peter) Holdings	76.2	39	292	83.3	62.1	34.1	4.9	4.0	22.5	20.9	2,243	27.4.85
323	(304)	Eurotherm International	76.2	5	320	82.3	40.8	52.6	7.2	4.2	71.4	31.5	1,804	31.10.84
324	(411)	EMAP	75.0	32	279	95.6	71.8	33.1	7.7	5.3	45.2	36.8	2,507	30.3.85*
325	(154)	Sound Diffusion	74.7	4	374	24.9	12.9	93.0	7.4	5.6	32.1	62.5	642	31.12.84
326	(449)	Rosehaugh	73.2	70	—	NR	NR	—	3.4	2.2	54.5	15.7	63	30.6.84
327	(337)	MEMEC	72.7	5	359	34.4	18.0	91.1	4.5	2.8	60.7	91.6	216	31.12.84
328	(426)	Combined English Stores	71.1	34	253	121.9	111.0	9.8	9.2	5.9	55.9	33.0	3,129	26.1.85
329	(231)	Bulmer H. P. Holdings	71.0	22	261	124.7	102.8	21.3	7.5	16.1	−53.4	17.4	1,936	26.4.85*
330	(324)	Peachey Property Corporation	70.8	69	—	NR	NR	—	8.3	6.7	23.8	10.2	43	24.6.84
331	(392)	Bridon	70.2	6	208	187.8	158.2	18.7	14.5	10.1	43.5	15.9	4,550	31.12.84§
332	(343)	Baird (William)	69.3	36	190	213.8	188.1	13.6	11.9	10.5	13.3	15.6	11,456	31.12.84
333	(302)	Saxon Oil	69.1	51	394	9.5	4.4	115.9	3.2	1.9	68.4	27.8	NA	30.6.85
334	(362)	Newarthill	69.0	3	184	240.6	249.0	−3.3	16.4	16.9	−2.9	10.0	4,105	31.10.84§
335	(273)	HAT Group	68.4	3	185	231.6	185.4	24.9	11.5	10.2	12.7	19.4	15,624	28.2.85
336	(388)	Gestetner Holdings	68.2	44	150	366.7	343.1	6.8	8.2	6.9	18.8	7.9	11,825	3.11.84
337	(395)	First Leisure Corporation	67.8	29	355	41.4	42.0	−1.4	6.8	4.5	51.1	22.9	2,539	31.10.84
338	(334)	Dobson Park Industries	67.5	6	206	191.2	169.4	12.8	7.1	8.1	−12.3	8.4	5,905	29.9.84
339	(434)	Cope Allman International	67.3	11	223	162.4	157.2	3.3	9.2	2.3	300.0	15.4	4,749	30.6.84
340	(297)	Greene, King and Sons	67.1	22	296	80.2	74.2	8.0	9.7	8.8	10.2	10.2	1,546	28.4.85
341	(329)	Clyde Petroleum	66.7	51	360	34.2	28.2	21.2	12.3	11.7	5.1	17.7	106	31.12.84*
342	(308)	International Leisure Group	66.1	29	183	240.7	191.3	25.8	24.8	16.5	50.3	31.7	1,590	31.3.85
343	(296)	Property Security Invest. Trust	65.8	69	—	NR	NR	—	4.7	4.0	17.5	7.8	35	31.3.85
344	(228)	Apricot Computers	65.7	5	282	92.4	50.8	81.8	10.7	4.6	132.6	33.7	947	31.3.85
345	(285)	British Car Auctions	64.9	9	345	46.9	30.1	55.8	9.3	6.0	55.0	24.9	1,980	31.7.84*
346	(360)	Christies International	64.7	12	319	62.8	45.4	38.3	17.3	9.7	78.3	50.5	1,170	31.12.84
347	(355)	SGB Group	64.4	3	216	177.5	160.4	10.6	11.0	7.2	52.7	12.1	7,205	29.9.84
348	(225)	Akroyd and Smithers	63.9	70	—	NR	NR	—	9.4	16.1	−41.6	36.1‡	398	28.9.84
349	(441)	Stead and Simpson	63.8	34	325	58.8	53.5	9.9	5.2	4.0	30.0	8.3	2,569	31.3.85
350	(444)	Daejan Holdings	63.6	69	—	NR	NR	—	13.3	12.8	3.9	16.6	170	31.3.85
351	(402)	Brown Shipley Holdings	63.4	68	—	NR	NR	—	3.4	2.6	30.7	NR	683	31.3.85*
352	(404)	Mitchell Cotts Group	61.8	11	152	349.3	375.9	−7.0	10.9	7.4	47.2	16.6	10,296	30.6.84
353	(461)	AAH Holdings	61.1	11	117	521.1	501.6	3.8	11.2	10.5	6.6	20.3	4,751	31.3.85
354	(328)	London Shop Property Trust	61.1	69	—	NR	NR	—	6.5	5.7	14.0	5.2	58	30.4.85*
355	(383)	Warner Estate Holdings	60.7	69	—	NR	NR	—	3.2	2.5	28.0	6.7	173	30.9.84
356	(389)	Marston Thompson Evershed	60.4	22	313	66.5	48.1	38.2	8.4	7.4	13.5	13.6	1,263	31.3.85
357	(351)	Birmid Qualcast	60.3	6	194	207.4	175.8	17.9	11.3	8.6	31.3	19.9	7,382	3.11.84
358	(213)	Logica	60.2	5	309	69.8	42.2	65.4	5.2	3.3	57.5	23.1‡	1,731	30.6.84
359	(406)	Halma	60.1	6	373	24.9	21.0	18.5	3.9	3.1	25.8	52.0	762	30.3.85
360	(—)	Tompkins F. H.	59.4	6	357	35.8	25.9	38.2	2.5	2.4	4.1	36.8	805	4.5.85*
361	(362)	Baker Perkins	58.0	6	177	247.3	194.2	27.3	13.0	6.8	91.1	26.2	5,677	31.3.85
362	(321)	Telemetrix	58.0	5	390	10.3	5.9	74.5	2.5	1.6	56.2	32.1‡	246	6.7.84
363	(424)	United Friendly Insurance	57.8	66	—	NR	NR	—	6.8	7.5	−9.3	NR	6,040	31.12.84
364	(338)	United Real Property Trust	57.6	69	—	NR	NR	—	5.1	4.8	6.2	6.0	4	5.4.85
365	(374)	Brown Boveri Kent Holdings	57.3	5	258	117.5	105.6	11.2	7.6	6.3	20.6	15.8	4,444	31.12.84
366	(260)	Sovereign Oil and Gas	57.2	51	332	54.6	6.8	702.9	18.2	3.4	435.2	23.2	47	31.12.84*
367	(474)	Matthews (Bernard)	57.1	25	275	97.6	75.9	28.5	5.1	7.0	−27.1	17.8	2,326	30.12.84
368	(—)	BBA Group	56.4	9	218	176.1	156.1	12.8	5.4	5.5	−1.8	11.7	5,648	31.12.84
369	(251)	AB Electronic Products	55.7	5	310	69.7	39.4	76.9	5.6	2.8	100.0	41.3	2,406	30.6.84
370	(363)	Mowlem (John)	55.4	3	140	385.0	300.0	28.3	11.1	10.1	9.9	18.1	6,229	31.12.84
371	(349)	Mansfield Brewery	55.0	22	303	72.4	68.2	6.1	7.8	8.5	−8.2	17.8	1,680	29.3.85
372	(339)	Sirdar	55.0	35	363	36.5	33.1	10.2	9.9	9.0	10.0	36.2	1,157	30.6.85
373	(390)	Howden Group	54.0	6	211	185.0	159.0	16.3	11.4	10.1	12.8	16.5	3,917	30.4.85
374	(401)	Staveley Industries	53.4	10	210	185.6	173.0	7.2	8.3	6.4	29.6	15.2	4,945	30.3.85
375	(477)	Suter	53.4	4	343	47.3	44.9	5.3	4.1	2.2	86.3	24.5	938	31.12.84
376	(415)	Samuel Properties	53.4	69	—	NR	NR	—	3.1	4.3	−27.9	5.8	39	30.6.84
377	(482)	Camellia Investments	53.0	70	—	NR	NR	—	0.5	0.2	150.0	10.0	NA	31.12.84
378	(465)	Whatman Reeve Angel	52.8	33	362	33.5	23.9	40.1	4.6	3.5	31.4	30.5	678	31.12.84
379	(335)	Boddingtons Breweries	52.7	22	337	51.6	47.7	8.1	9.5	9.1	4.3	12.9	2,003	31.12.84
380	(370)	Henderson Group	52.4	2	314	66.1	58.6	12.7	6.6	5.7	15.7	35.4	2,133	2.3.85
381	(445)	Coates Brothers	52.0	42	205	192.2	139.9	37.3	12.9	9.0	43.3	15.5	3,457	31.12.84
382	(380)	Frogmore Estates	51.9	69	353	42.2	37.6	12.2	10.1	7.5	34.6	15.3	64	30.6.84*
383	(367)	Bryant Holdings	51.2	3	257	119.4	91.0	31.2	11.3	7.7	46.7	18.9	851	31.5.84
384	(407)	Asprey and Co.	51.0	34	368	29.2	28.2	3.5	7.6	6.2	22.5	30.2	271	31.3.85
385	(—)	Microgen Holdings	50.8	5	381	18.2	3.5	420.0	3.0	0.9	233.3	73.7‡	419	31.10.84
386	(247)	Westland	50.4	6	165	296.3	328.0	−9.1	2.8	26.1	−89.2	5.4	11,892	30.9.84*
387	(431)	DPCE Holdings	50.2	5	398	8.2	5.5	49.0	1.9	1.2	58.3	58.6‡	192	30.6.84
388	(366)	British Vita	50.0	42	237	138.4	109.7	26.1	11.9	10.6	12.2	25.1	7,933	31.12.84
389	(442)	Waddington John	49.8	33	298	77.6	54.3	42.9	5.7	3.4	67.6	26.7	2,442	30.3.85
390	(373)	Property and Reversionary Invs.	49.5	69	—	NR	NR	—	2.6	1.8	44.4	4.6	17	31.3.85
391	(371)	London and Prov. Shop Centres	49.4	69	—	NR	NR	—	2.0	1.4	42.8	3.9	13	24.6.84
392	(416)	Fine Art Developments	49.3	34	241	134.8	98.2	37.2	7.2	3.4	111.7	20.7	3,938	31.3.85
393	(469)	Aitken Hume International	48.9	70	—	NR	NR	—	6.8	3.8	78.9	32.9	207	31.3.85
394	(397)	Brent Chemicals International	48.8	42	338	51.5	55.1	−6.5	4.8	4.0	20.0	36.3	811	31.12.84
395	(468)	London and Edinburgh Trust	48.6	69	—	NR	NR	—	5.1	3.4	50.0	23.5	19	31.12.84
396	(493)	Low and Bonar Group	48.3	11	200	197.7	176.0	12.9	11.4	9.1	26.2	17.6	6,058	30.11.84
397	(327)	Lilley F. J. C.	48.1	3	163	301.3	230.3	30.8	7.5	13.8	−45.6	12.4	6,046	31.1.85
398	(429)	Johnson Group Cleaners	48.1	12	308	70.3	57.0	23.3	6.7	6.3	6.3	22.2	4,807	29.12.84
399	(385)	Dewhirst I. J. Holdings	48.1	35	351	43.0	33.7	27.5	4.0	3.4	17.6	29.9	3,156	18.1.85
400	(—)	Boase Massimi Pollitt	48.0	12	325	58.5	44.1	32.6	2.3	1.7	35.2	115.8	201	31.12.84*
401	(418)	Cray Electronics Holdings	47.9	5	366	32.0	26.3	21.6	3.3	2.3	43.4	24.2	1,217	4.5.85*
402	(481)	London and Midlands Industls.	47.5	11	295	82.1	71.2	15.3	7.7	5.0	54.0	26.2	2,216	31.3.85
403	(471)	Associated Book Publishers	47.1	32	306	70.6	57.3	23.2	8.6	6.3	36.5	40.2	1,181	31.12.84
404	(400)	Adwest Group	46.6	6	307	70.5	67.4	4.5	8.3	6.8	22.0	17.0	2,652	30.6.84
405	(381)	United Parcels	46.3	45	315	66.0	60.7	8.7	7.1	7.8	−8.9	18.6	3,773	26.1.85
406	(378)	Dubilier	45.8	5	341	47.5	39.3	20.8	6.5	3.2	71.8	35.1	1,273	30.9.84
407	(453)	Lovell Y. J. (Holdings)	45.7	3	193	209.1	169.6	23.2	6.4	4.6	39.1	17.0	2,940	30.9.84
408	(490)	Horne Robert	45.2	33	269	104.9	86.0	21.9	8.5	4.1	68.5	38.9	679	30.9.84
409	(336)	Horizon Travel	44.8	29	232	151.9	124.2	22.3	12.5	12.6	−0.7	20.8	1,573	30.11.84
410	(376)	Petranol	44.6	51	400	2.8	0.8	250.0	2.4	0.2	1,100.0	13.7‡	6	31.12.84
411	(430)	Cater Allen Holdings	44.5	63	—	NR	NR	—	3.7	4.8	−22.9	NR	NA	30.4.85*
412	(473)	Marshall's Halifax	44.4	2	322	61.0	54.5	11.9	5.7	5.1	11.7	19.4	1,652	31.3.85
413	(—)	Valor	44.1	39	289	86.4	75.0	15.2	5.7	3.9	46.1	25.7	3,220	31.3.85
414	(405)	Country and New Town Prop.	44.0	69	—	NR	NR	—	3.5	2.9	20.6	8.4	104	31.1.85
415	(362)	Central Independent TV	43.9	29	231	152.2	129.2	17.8	10.0	6.8	47.0	29.6	1,798	31.12.84*
416	(483)	Empire Stores, Bradford	43.4	34	226	156.5	153.6	1.8	3.1	1.5	106.6	7.5	3,115	26.1.85
417	(451)	Brown (John)	43.2	6	110	555.5	597.5	−7.0	1.1	(5.6)	—	9.7	10,050	31.3.85
418	(394)	Kenning Motor Group	43.0	9	148	372.2	326.4	14.0	7.5	11.7	−35.8	11.1	5,989	30.9.84
419	(368)	Travis and Arnold	43.0	2	248	128.4	117.8	8.9	9.6	9.4	2.1	18.1	2,089	31.12.84
420	(423)	LWT (Holdings)	42.7	29	221	163.1	136.2	19.7	10.5	5.3	98.1	24.7	2,745	29.7.84
421	(438)	Six Hundred Group	42.3	6	209	187.3	145.6	28.6	7.6	3.8	100.0	9.4	3,152	31.3.85
422	(414)	Mucklow A. J. Group	42.2	69	—	NR	NR	—	4.9	4.8	2.0	8.6	38	30.6.84
423	(432)	Automotive Products	42.2	9	181	242.8	223.5	8.6	3.9	4.0	−2.5	8.7	9,254	4.1.85
424	(—)	FKI Electricals	42.0	4	380	18.5	10.7	72.8	3.5	2.3	52.1	64.7	893	31.3.85
425	(428)	Yule Catto	41.9	11	277	96.9	82.3	17.7	12.0	7.6	57.8	18.8	2,682	31.12.84
426	(—)	Spring Ram Corporation	41.9	38	379	19.4	12.6	53.9	3.0	1.6	87.5	30.2‡	294	29.12.84*
427	(425)	United Leasing	41.2	5	217	176.3	104.6	68.5	5.3	3.7	43.2	20.1	206	31.3.85*
428	(484)	Higgs and Hill	40.7	3	207	189.7	169.7	11.7	7.2	6.1	18.0	23.7	1,904	31.12.84
429	(421)	Crest Nicholson	40.6	11	284	90.8	72.3	25.5	8.5	7.0	21.4	23.1	1,147	31.10.84
430	(447)	Town Centre Securities	40.5	69	—	NR	NR	—	2.4	2.1	14.2	5.2	84	30.6.84
431	(—)	Allied Textile	40.2	35	365	32.0	26.1	22.6	4.2	3.5	20.0	14.3	1,194	30.9.84
432	(—)	London United Investments	40.1	66	—	NR	NR	—	6.2	5.2	19.2	NR	115	31.12.84
433	(435)	Ferguson Industrial Holdings	40.0	11	238	141.5	137.4	2.9	6.5	6.5	0.0	19.5	3,854	28.2.85
434	(466)	Martonair International	39.8	6	340	48.0	41.7	15.1	5.3	4.3	23.2	19.7	2,084	31.7.84
435	(458)	Watts Blake, Bearne and Co.	39.8	10	371	27.8	25.0	11.2	4.3	3.6	19.4	15.7	795	31.12.84
436	(450)	Warnford Investments	39.8	69	—	NR	NR	—	4.2	3.7	13.5	32.7	12	25.12.84
437	(—)	Edinburgh Fund Managers	39.8	70	—	NR	NR	—	3.5	2.5	40.0	132.0	42	31.1.85
438	(455)	Molins	39.6	6	244	133.5	129.4	3.1	6.0	7.1	−15.4	8.4	5,296	31.12.84
439	(467)	Plysu	39.5	42	370	27.9	23.3	19.7	3.9	3.3	18.1	30.4	897	31.3.85
440	(485)	Sunlight Service Group	39.4	12	327	58.0	39.4	47.2	4.4	3.5	25.7	34.3	9,606	31.12.84
441	(—)	Garfunkles Restaurants	39.3	29	392	18.1	12.9	40.3	2.1	1.4	50.0	40.0	884	30.9.84*
442	(452)	RHP Group	38.9	6	268	105.7	102.4	3.2	6.2	0.7	785.7	11.0	5,706	28.9.84
443	(486)	EIS Group	38.3	6	342	47.4	37.2	27.4	4.2	3.6	16.6	15.8	1,963	31.12.84
444	(—)	Macfarlane Group (Clansman)	38.3	33	354	41.5	34.1	21.7	3.0	2.5	20.0	28.9	1,112	31.12.84*
445	(443)	Land Investors	38.0	69	—	NR	NR	—	3.3	3.1	6.4	5.9	14	31.3.85
446	(—)	Glass Glover Group	37.5	26	301	72.8	63.9	13.9	1.8	1.5	20.0	33.6	628	30.9.84
447	(440)	Nichols J. N. (Vimto)	37.4	25	378	19.5	19.4	0.5	4.3	4.4	−2.2	61.9	140	31.12.84
448	(439)	Fenner J. H. (Holdings)	37.2	6	215	177.8	149.0	20.1	6.1	4.5	35.5	13.7	7,638	1.9.84
449	(350)	Hampton Gold Mining	37.1	81	387	12.2	13.4	−8.9	2.4	3.3	−27.2	7.2	397	31.3.85
450	(—)	Amari	36.8	8	224	162.3	137.6	17.9	6.5	2.9	124.1	29.1	1,472	31.12.84*

Electronics and Electricals

Severity of decline worse than foreseen

THE steady rise of electronics companies up last year's league table then seemed both inevitable and sustainable. Yet a matter of months after those tables were compiled, electronics stocks embarked on a fall that left the sector FTA index, by June, 35 per cent below its high point, reached in November last year.

The severity of the decline has been greater than anyone had foreseen. It has touched almost every company in the sector. The big daddy of them all, GEC, has dropped from third to seventh place in the UK top 500, overtaken by Glaxo, BAT and ICI.

Each of the other three majors, Racal, STC and Plessey, dropped more than 25 places as their share prices came thumping down by over 30 per cent.

At the other end of the size scale, Systems Reliability and Tunstall Telecom each lost 100 places to retain a position in the table by a hair's breadth.

However, the most spectacular falls were achieved by six companies which do not appear in this year's lists at all, and each of which ended the year capitalised at a small fraction of the amount at which they started the 12 months.

The reasons for the decline within the sector were apparently unrelated, but once set in motion spread throughout the sector in a devastating ripple passed along the chain from the major suppliers to distributors and so on.

One cause of the trouble has been much more aggressive purchasing by British Telecom and the Ministry of Defence. At the same time, severe overcapacity has appeared in many markets—in semi-conductors, in personal computers (and more recently in the whole range of computer hardware), and in telecommunication equipment. The result has been fierce price-cutting across the industry, and while only two companies, Acorn and Sinclair, have actually needed to be rescued, numerous others have seen their profits sadly eroded.

The trigger to the precipitious drop at the start of the year was a profits warning from Racal, which was having difficulties with its U.S. subsidiary. Horrified, the market wiped £257m off the company's market value within a few hours.

Racal was the first in a succession of upsets during the following six months which saw in sequence: a weighty and ill-timed rights issue from STC, terrible results from MicroFocus and then, from Plessey, further profit warnings from Racal, STC and Logica, and disappointing results from GEC.

The MicroFocus incident was perhaps the most dramatic, and took that company from the 253rd place in last year's ranking to well outside the top 500 as its share price collapsed from 370p to 100p. The software house sprang results on the market that were about one-fifth of the City's forecasts, partly resulting from an enforced accounting change, but partly reflecting a loss of management control.

Almost as dramatic were the departure of Crystalate and Microvitec, both of which reported a sudden decline in profits, hit respectively by squeezed margins on telecommunications equipment and on colour monitors for home computers.

Other departures from nearer the bottom of the list were Wordplex, CPU Computer and Powerline, which found conditions increasingly tough in the markets for wordprocessors, floppy discs and electronic power supplies.

Many other electronics companies have found their rankings eroded despite no deterioration in performance, as their share prices have moved down in sympathy with the rest of the sector.

However, the market has not been entirely undiscriminating in its re-rating of electronics companies: at least five out of the 34 in last year's list have gained ground since then. The highest climber was DPCE which is in the still fashionable field of computer maintenance, and which has advanced 44 places to 387.

CASE has also been one of the big movers from 244 last year to 207 this year, although at least half the advance was due to a £24m rights issue.

Despite conditions that could scarcely have been less auspicious, a stream of electronics companies joined the market during the year. Three of these—IBL, Domino and Comcap—feature in the top 500 rankings.

Lucy Kellaway

Departures from UK top 500

Company	Last Rank	Sector
Hambro Life Assurance	74	65*
House of Fraser	85	34†
MFI Furniture Group	100	34‡
Phoenix Assurance	115	66§
ICL	116	5¶
Initial	123	12‖
Brooke Bond Group	136	25**
Bibby J. and Son	147	25††
Sterling Guarantee Trust	160	70‡‡
Grindlays Holdings	168	70§§
Hamilton Oil GB	192	51¶¶
Currys Group	199	34‖‖
Chubb and Son	249	12a
Micro Focus	253	5
UBM Group	268	2b
Trident Television	307	29c
Minster Assets	309	66d
Paul	311	25e
Foster Brothers Clothing	318	34f
Carlton Industries	329	11g
Oceonics	332	51
Dunlop Holdings	340	9h
Burnett and Hallamshire	347	3
Vinten Group	353	4
Link House Publications	354	32i
Crystalate Holdings	358	5
Microvitec	372	5
Prestige Group	375	39j
Martin (Newsagent)	384	34k
Churchbury Estates	387	69l
Carr John (Doncaster)	393	2m
De Vere Hotels and Restaurants	403	29n
Security Centres Holdings	409	12
Charterhall	413	51
Metal Closures Group	417	33
Sidlaw Group	433	11
Barlow Holdings	436	70p
Comben Group	437	3q
Castlefield Rubber	446	10r
Cluff Oil	448	51
Ruberoid	454	2
Bertam Holdings	456	91
Bath and Portland Group	457	10s
Centrovincial Estates	459	69
Estates Property Investment	460	69
Television South	470	29
Aberdeen Construction Group	472	3
Invergordon Distillers	476	22
Wordplex	478	5
Boustead	479	91
Robertson Research	480	51
Ansbacher (Henry) Holdings	487	68
Scottish Agricultural Industries	488	42
Nu-Swift Industries	491	10
CPU Computers	492	5
Alexanders Discount	496	63t
Powerline International	500	5

* Acquired by BAT Industries. † Acquired by Al Fayed family. ‡ Acquired by Associated Dairies. § Acquired by Sun Alliance and London Assurance. ¶ Acquired by Standard Telephone and Cables. ‖ Acquired by British Electric Traction. ** Acquired by Unilever. †† Acquired by Barlow Rand. ‡‡ Acquired by P & O Steam Navigation. §§ Acquired by ANZ. ¶¶ Acquired by Hamilton Oil Corporation. ‖‖ Acquired by Dixons Group. a Acquired by Racal. b Acquired by Norcros. c Acquired by Pleasurama. d Acquired by Groupe des Assurance Nationales. e Acquired by Harrisons and Crosfield. f Acquired by Sears Holdings. g Acquired by Hawker Siddeley Group. h Acquired by BTR. i Acquired by United Newspaper Holdings. j Acquired by Gallaher Limited. k Acquired by Guinness (Arthur). l Acquired by Greycoat City Offices. m Acquired by Rugby Portland Cement. n Acquired by Greenall Whitley. p Acquired by Majedie Investments. q Acquired by Trafalgar House. r Acquired by Harrison Malayan Plantations. s Acquired by Consolidated Goldfields. t Acquired by Mercantile House Holdings.

FOOTNOTES TO COMPANIES LISTED ON THIS PAGE

264 Stockley. Incorporated 7/11/83. 266 M & G Group. ROCE calculated on capital employed including long-term insurance business funds. 269 IBL. S/E listing 6/85. 270 Wilson (Connolly) Holdings. Previous year's figs restated in accordance with merger accounting principles following acquisition of Chowns Ltd on 16/4/84. ROCE calculated assuming merger effective at beginning of year. 272 Systems Designers Int'l. Figs prepared in accordance with merger accounting principles following acquisition of Systems Programming Holdings, 29/6/84. ROCE calculated assuming merger effective at beginning of year. 274 Gerrard & National. Profit is after minority interest, transfer to reserves and is net of tax. 275 Wates City of London Props. Incorporated 2/2/84. 276 Premier Consolid Oilfields. Profit is net of unrealised exchange rate gains. 282 Renishaw. S/E listing 11/84 (from USM). 284 Sturge Holdings. S/E listing 6/85. 286 Westpool Investment Trust. Preliminary results. 291 Diploma. Previous year's figs for 15 months to 30/9/83. 293 Alfred McAlpine. Formerly Marchwiel PLC. 300 Hickson International. Previous year's figs for 15 months to 31/12/83. 303 Iceland Frozen Foods Hldgs. S/E listing 10/84. 304 Union Discount (London). Profit is after provisions and transfer to inner reserve and is net of tax. Emp=1983. 324 EMAP. Formerly East Midland Allied Press. ROCE calculated assuming merger with Maclaren Publishers effective at beginning of year. 329 Bulmer H.P. Holdings. Turnover excludes excise duty. 341 Clyde Petroleum. Turnover includes production and windfall profit taxes of £0.6m (£0.6m). 345 British Car Auctions. Turnover= "Charges and other income earned less credits on the proceeds of motor vehicle and other auctions and sales by group companies to outside customers." 351 Brown Shipley Holdings. Profit is net of tax and after transfer to inner reserve. 354 London Shop Property Trust. Preliminary results. ROCE calculated on pre-tax profit after interest. Emp=1984. 360 Tomkins F.H. This year's turnover includes £3.1m in respect of Ferraris Piston Service acquired during year. 366 Sovereign Oil & Gas. Turnover="Selling value of entitlement to oil and gas from producing interests including value of royalty oil taken by UK Government in kind and management fees." Change in basis from 1983—figs not restated. 382 Frogmore Estates. Formerly Fairview Estates. 386 Westland. This year's profit after exceptional provision for 'civil aircraft programs'. 400 Boase Massimi Pollitt. USM. 401 Cray Electronics Holdings. Preliminary results. ROCE calculated on pre-tax profit after interest. Emp=1984. 411 Cater Allen Holdings. Profit is after providing for rebate, tax and transfer to contingency reserve. 415 Central Independent TV. USM. 426 Spring Ram Corporation. S/E listing 4/85 (from USM). 427 United Leasing. Figs prepared in accordance with merger accounting principles following acquisition of Sumlock Bondain Ltd during year. ROCE calculated assuming merger effective at beginning of year. 441 Garfunkles Restaurants. USM. Figs include results for Strikes Restaurants acquired during year. ROCE calculated assuming 450 Amari. S/E listing 7/84.

8 The UK

Financial Times TOP 500

451-500

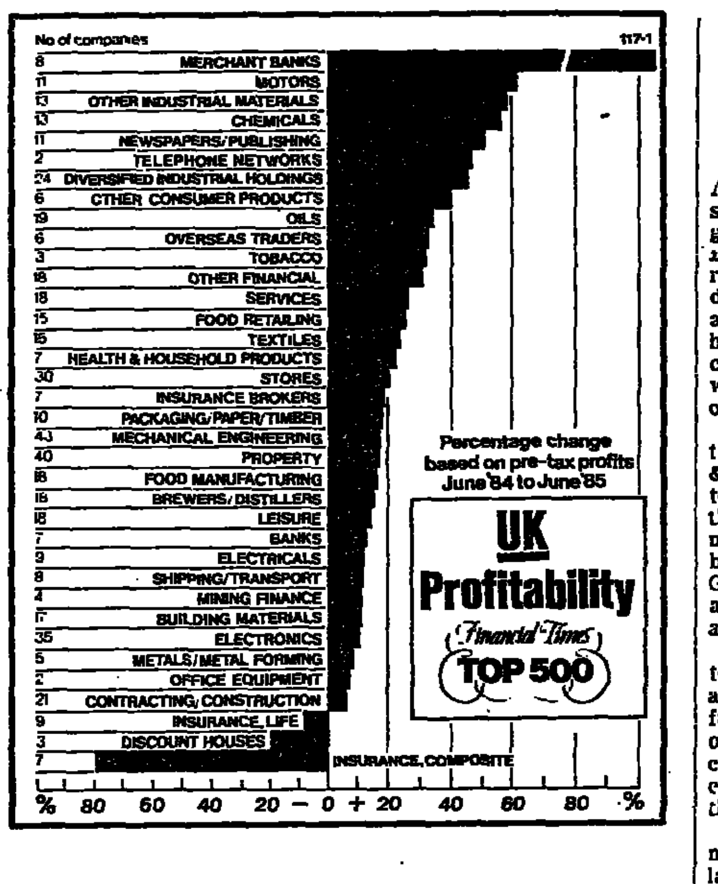
Ranking 1986 (1985)	Company	Market capital £m	Sector	Ranking	Turnover this year £m	Turnover last year £m	% change	Profit this year £m	Profit last year £m	% change	ROCE	Employees	Year end
451 (—)	Avon Rubber	36.7	9	214	180.4	171.8	5.0	3.5	2.3	52.1	15.8	5,374	29.9.84
452 (499)	Hargreaves Group	36.6	11	138	397.8	194.7	104.3	7.1	3.5	102.8	20.7	1,865	31.3.85
453 (—)	Lynton Holdings	36.5	69	—	NR	NR	—	1.8	1.4	28.5	5.0	16	31.3.85
454 (482)	Dominion International	36.3	11	347	45.2	31.0	45.8	9.3	6.6	40.9	16.3	184	31.3.85*
455 (377)	Bestobell	35.9	6	234	150.1	137.3	9.3	0.5	5.1	−90.1	5.7	4,961	31.12.84
456 (—)	Goring Kerr	35.7	4	397	8.3	5.4	53.7	2.4	1.5	60.0	170.3	153	30.9.84
457 (485)	NSS Newsagents	35.6	34	229	153.5	145.6	5.4	5.8	5.6	3.5	38.4	5,081	30.9.84
458 (396)	Chloride Group	35.5	4	136	401.8	379.0	6.0	14.2	14.0	1.4	12.3	13,952	31.3.85
459 (475)	Myson Group	35.4	6	331	55.3	51.9	6.5	5.2	3.0	73.3	41.3	1,853	31.12.84
460 (—)	Church and Co	35.0	34	335	51.8	44.4	16.6	4.7	2.8	67.8	20.4	2,168	31.12.84
461 (—)	Associated Paper Industries	35.0	33	344	47.1	37.3	26.2	3.9	2.5	56.0	30.4	1,028	29.9.84
462 (—)	Bentals	34.9	34	321	61.4	58.4	5.1	3.0	2.6	15.3	17.0	1,892	2.2.85
463 (—)	Liberty	34.9	35	346	46.5	40.0	16.2	2.6	1.4	85.7	22.5	959	2.2.85
464 (420)	Imry Property Holdings	34.9	69	—	NR	NR	—	1.8	2.1	−14.2	6.3	11	31.3.85
465 (—)	Samuelson Group	34.8	12	375	23.5	16.5	42.4	2.9	1.4	107.1	30.3	454	30.3.85
466 (406)	Hadson Petroleum Intnl	34.7	51	—	NR	NR	—	NA	0.1	—	NA	9	31.12.84*
467 (—)	Fisher Albert	34.5	26	348	44.4	15.1	194.0	1.1	0.3	266.6	25.4	375	31.8.84*
468 (463)	Hewden-Stuart Plant	34.3	3	272	103.8	92.7	11.9	6.4	4.4	45.4	16.1	2,530	3.2.85*
469 (—)	Aaronson Brothers	34.3	2	285	89.4	80.4	11.1	3.8	2.0	90.0	19.8	1,190	30.9.84
470 (—)	Austin Reed Group	34.3	34	328	57.3	52.4	9.3	4.2	4.0	5.0	14.0	1,112	31.1.85
471 (494)	GEI International	34.2	6	304	71.7	62.4	14.9	4.3	3.1	38.7	12.1	2,406	31.3.85
472 (427)	Hunting Associated Industries	34.1	11	203	195.0	179.0	8.9	5.9	6.6	−10.6	15.4	5,806	31.12.84
473 (—)	Eastern Produce (Holdings)	34.1	31	330	55.7	40.0	39.2	21.8	11.2	94.6	69.6	3,702	31.12.84
474 (—)	Domino Printing Sciences	34.1	5	399	7.4	2.5	196.0	1.8	0.3	500.0	86.5‡	123	31.10.84*
475 (497)	Allied London Properties	34.0	69	—	NR	NR	—	2.8	2.4	16.6	7.8	119	30.6.84
476 (—)	Our Price	34.0	39	372	26.1	20.0	30.5	1.2	0.9	33.3	40.0	488	30.5.84
477 (—)	Renold	33.9	6	254	121.4	116.2	4.4	4.5	0.0	—	10.8	5,172	30.3.85*
478 (489)	Holt Lloyd International	33.9	42	300	76.3	55.0	38.7	6.2	4.2	47.6	41.2	966	2.3.85*
479 (—)	Pavion International	33.9	42	364	32.7	29.9	9.3	0.6	(0.3)	—	10.7	483	28.2.85*
480 (—)	Falcon Resources	33.9	51	407	0.3	NA	—	0.1	(0.1)	—	4.9‡	2	31.12.84
481 (325)	Micro Business Systems	33.8	67	—	NR	NR	—	3.4	1.8	88.8	55.1	426	31.12.84
482 (—)	Bairstow Eves	33.7	61	—	NR	NR	—	3.1	1.6	93.7	116.9	789	31.12.84
483 (—)	Tace	33.4	6	383	18.0	15.1	19.2	2.6	1.2	116.6	41.3	590	30.9.84
484 (—)	Addison Page	33.3	12	—	NA	NA	—	2.0	NA	—	NA	NA	31.12.84*
485 (—)	Comcap	33.2	5	361	33.8	32.0	5.0	2.9	1.5	93.3	38.0‡	36	31.12.84*
486 (388)	Systems Reliability	33.2	5	391	10.1	8.3	21.6	2.8	2.0	40.0	86.7	305	31.12.84
487 (—)	Norton Opax	33.0	32	384	17.6	10.6	66.0	1.3	1.0	30.0	33.5	664	31.3.85
488 (—)	Lamont Holdings	32.7	35	356	40.8	28.0	45.7	3.5	2.0	75.0	23.8	1,301	31.12.84
489 (391)	Tunstall Telecom Group	32.6	5	385	13.1	6.9	89.8	3.0	1.4	114.2	89.0	278	30.9.84
490 (314)	Gent S. R.	32.5	35	237	79.6	70.2	13.3	6.1	5.2	17.3	21.5	5,740	30.6.84
491 (—)	Mann and Company	32.4	12	396	8.5	7.4	14.8	1.6	1.8	−11.1	45.1	470	31.5.84§
492 (—)	Majedie Investments	31.9	70	—	NR	NR	—	1.7	2.1	−19.0	8.9	NA	30.9.84
493 (—)	McKay Securities	31.8	69	—	NR	NR	—	2.5	2.3	8.6	5.8	14	31.3.85
494 (498)	Bespak	31.8	6	386	12.7	10.3	23.3	2.3	2.1	9.5	38.2	317	3.5.85
495 (398)	Wholesale Fittings	31.7	4	358	36.7	33.2	7.5	4.9	4.9	0.0	28.6	577	26.4.85
496 (—)	Kalon	31.6	10	333	53.4	47.9	11.4	2.7	3.2	−15.6	21.9	1,049	31.12.84
497 (464)	Whitecroft	31.4	10	274	101.7	95.7	6.2	7.5	6.2	20.9	20.3	2,807	31.3.85
498 (—)	Sale Tilney	31.4	25	305	71.1	69.8	1.8	3.1	2.1	47.8	21.9	896	30.11.84
499 (—)	Attwoods	31.4	2	389	10.3	9.6	7.2	1.7	1.0	70.0	18.9	266	31.7.84
500 (412)	Goal Petroleum	31.4	51	395	8.8	6.2	41.9	4.6	2.2	109.0	36.1	11	31.12.84

FOOTNOTES TO COMPANIES LISTED ON THIS PAGE

454 Dominion International. ROCE calculated assuming merger with Anglo-International Investment Trust effective at beginning of year. 466 Hadson Petroleum International, Now fully owned by Hadson Petroleum Corporation. 467 Fisher Albert. ROCE calculated assuming merger with Carnival Fruit Company effective at beginning of year. 468 Hewden-Stuart Plant. This year's figs for 53 weeks to 3/2/85. 474 Domino Printing Sciences, S/E listing 4/85. 477 Renold. Emp= year-end. 479 Pavion International, Formerly Sangers Group. 480 Holt Lloyd International. This year's figs for 53 weeks to 2/3/85. 484 Addison Page. Formed through merger between Addison Communications & Michael Page Partnership, 25/1/85. Profit fig is pro-forma. 485 Comcap. S/E listing 5/85. 491 Mann & Company. S/E listing 3/85. 496 Kalon. S/E listing 6/85.
* See footnotes. † ROCE calculated on Shareholder's Funds. ‡ ROCE calculated on Capital Employed at year-end. § Previous years figures adjusted for accounting changes.

Newspapers and Publishing

Performance boosted by merger wave



AN unprecedented wave of mergers in the traditionally staid world of book publishing helped make the newspaper and publishing sector the best performer in the UK chart. Venerable imprints and famous titles have changed hands at a rapid rate during the past year.

At one end of the scale Octopus paid £110m for Heinemann in the largest merger ever in the book publishing sector. At the other, McCorquodale, the security printing, packaging and publishing group, paid £400,000 for Wisden Cricketers' Almanack, the bible of the sport for 121 years.

These and similar deals, and even larger ones in the newspaper world, combined with buoyant markets for most forms of the printed word to push companies in the sector on average just over 46 rungs higher in the FT UK 500 rankings.

Octopus, the company which discovered that there was a large market for books between Sainsbury's food counters and Marks and Spencer's racks of men's and women's wear, led the rises among the book publishers.

East Midland Allied Press (EMAP) headed gains among the newspaper and magazine groups and was the best performer in the sector overall.

Two newcomers joined the top 500 rankings. Mr Robert Maxwell's British Printing and Communication Corporation (BPCC) came in when the stake held by Pergamon, Mr Maxwell's privately-owned publishing house, fell below 70 per cent, a requirement for a place in the table.

Norton Opax, the company best known for its lottery ticket printing, expanded rapidly by means of a series of acquisitions and entered the rankings at number 487.

The Heinemann acquisition brought Octopus a glittering list of authors ranging from D. H. Lawrence to Catherine Cookson. It also took Octopus into educational publishing, another area where it had not been represented. For McCorquodale the purchase of Wisden gave it a prestigious title which could be applied to other publishing ventures in the sporting field.

Elsewhere in the book world, Associated Book Publishers, which includes Eyre and Spottiswoode and Methuen among its imprints, paid just over £4m for Routledge and Kegan Paul. Penguin, part of the Pearson group, helped celebrate its 50th anniversary with the purchase of a large part of Thomson's Books.

The book trade has been recovering strongly over the past year or so from the recession of the late 1970s when readers bought fewer books and public spending cuts adversely affected buying by schools.

The strength of the pound damaged exports, which account for about a third of UK output. Publishers appear to have learned from that experience that a more commercial approach is needed.

The industry has been devoting increased efforts to marketing, and the Publishers' Association set up the Book Marketing Council to research book-buying trends and promote sales.

Octopus, long regarded as a brash outsider began to be seen as a company to be emulated for the professionalism of its approach.

What the book publishers were seeking through these mergers was a broader spread of business to withstand another downturn in the industry. Size also gave economies of scale in an increasingly international market for books.

The newspaper and magazine publishers were no less active. United Newspapers, owners of Punch and the Yorkshire Post, launched a takeover bid for Fleet Holdings, publishers of the Daily and Sunday Express and The Star.

Fleet gave its reluctant backing to the bid when United increased its offer to £317m.

EMAP, by contrast was caution itself on the takeover front. It paid £10m for Maclaren Publishers, a Croydon-based trade magazine group. EMAP's shares have themselves been boosted by bid speculation but the company owes most of the firmness of its share price to its trading performance.

In common with many other provincial newspapers and printing groups it has been able to introduce modern technology in a relatively peaceful labour relations climate.

Mr Eddie Shah's plans to launch a new national daily newspaper next year have raised prospects of a breakthrough in working practices among the Fleet Street newspaper groups. The outlook for the newspaper sector will depend greatly on how peacefully any changes can be made.

United's plans to reduce manning levels at Fleet could be the first test.

Charles Batchelor

Spoilt for investment trust choice

BY BARRY RILEY

ALTHOUGH IT has become something of a happy hunting ground for predators, Britain's £15bn investment trust sector refuses to shrink on the scale demanded by its critics. Whereas closed-end funds in the U.S. have almost disappeared, there continues to be a remarkably wide choice available in the list of UK investment trusts.

Grandly-named investment trusts such as Globe or Foreign & Colonial are found near the top of the rankings. Down near the 100th position they become much more narrowly focused, boasting names such as the Gartmore Information and Financial Trust, to take one example.

And among the small trusts too puny to figure in our table are many highly specialised funds, concentrating on sectors of which technology, smaller companies, the Far East and energy are, or have been, among the more fashionable.

At this level, new investment trusts are regularly being launched, despite the consistent complaints that the market is already glutted. This year's newcomers include Baillie Gifford Shin Nippon, a Japanese small company specialist, Nordic, investing in small and medium-sized growth companies in Scandinavia, and Martin Currie Pacific, orientated towards the Far East.

Does size matter in investment trusts? The answer depends largely on who the investor is. The gradual squeezing out of private investors over the years, to be replaced by institutional shareholders, has put a lot of pressure on the managements of the trusts, especially the large ones.

The big, broadly based investment trusts—which in the 1960s often had many hundreds of individual investments—could offer investors a high degree of diversification coupled with low management costs. But this is a formula which has no appeal to institutional holders such as pension funds.

They are perfectly capable of achieving a basic spread of investments for themselves. They are only attracted to investment trusts if they offer something special—or they present an opportunity to invest in assets at a discount.

So the big trusts have seen their share prices slip to consistently large discounts on underlying assets. Many of them have responded by adopting more adventurous investment policies, in areas such as unquoted investments.

But they have often felt themselves to be under less pressure than smaller funds, because sheer size has been seen to be an obstacle to takeovers, the threat of which has often been the major spur to action.

In these days of mega takeover bids can anybody be safe? The bid some years ago by the National Coal Board pension fund for British Investment Trust (still listed because of an outstanding minority) had come to seem something of a one-off but the take-over this summer of the £130m Murray Growth Trust by the Merchant Navy pension funds sent flutters through the investment trust industry.

In the current top ten, one trust which could be in the line of fire is the Scottish Investment Trust, in which the relatively small British Empire Securities has taken a notifiable stake (despite its name, BES has substantial U.S. and Canadian backing).

Generally speaking, investors are less willing these days to go along with the kind of defensive mergers which used to give trusts the protection of greater size, sometimes reinforced by cross-holdings. In a more aggressive age, any cosy deal is liable to backfire, by attracting counter-proposals from outside.

The traditional argument that greater size will permit management costs to be spread over a larger volume of assets is no longer valid, because big trusts can only justify themselves by building up expensive teams of specialist investment experts.

In fact only the very biggest can now sustain themselves independently in this way—including Globe, which has a substantial venture capital operation.

Elsewhere, many trusts have addressed the problem by grouping themselves around management companies or merchant banks which can provide the skills in such specialisms as U.S. or Japanese companies or technology.

The risk in this is that managers will no longer devote their whole attention to a trust, but will regard it as just one client among many. Whatever the pros and cons, this appears to be the way the industry is going.

How, in fact, does the performance of the big trusts compare with that of their smaller rivals? The most comprehensive recent study was that produced by stockbrokers Wood Mackenzie at the end of last year. The results were not very clear cut, but three general points emerged from the analysis.

First, on average for the five-year period 1979-84, the biggest trusts slightly outperformed the smaller ones, measured in terms of growth in net asset value per share. Second, the very best performing trusts were all relatively small—but so were the worst performers.

The third point was that when the rankings were expressed in terms of share price performance the successful small trusts tended to gain extra growth from a reduction in the discount on underlying assets—a factor that was not so helpful to the big funds.

The overall conclusion is that a good little 'un will probably beat a good big 'un, but only by adopting higher risks. For the smaller investor, the large investment trusts will in many cases have the edge—but these days the small investor no longer calls the tune.

Top 100 UK Investment Trusts by Market Capitalisation

Rank	Company	Market Cap £m‡	Shareholders' Funds £m§	Discount %
1	Globe Investment Trust	422.6	626.4	28.7†
2	Foreign & Colonial Invest Trust	331.0	441.4	25.0
3	Alliance Trust	310.0	412.6	24.9
4	TR Industrial & General Trust	305.2	420.5	27.4
5	Edinburgh Investment Trust	297.6	414.6	28.2
6	Scottish Mortgage and Trust	256.1	340.1	24.7
7	Witan Investment Company	247.4	338.5	26.9
8	Hill (Philip) Investment Trust	222.4	280.1	20.6
9	British Investment Trust	205.9	279.1	26.2
10	Scottish Investment Trust	204.2	277.9	26.5
11	Electra Investment Trust	187.3	235.5	20.5
12	British Assets Trust	183.4	246.4	25.6
13	TR Technology Investment Trust	177.1	244.9	27.7
14	Fleming Mercantile Invest Trust	159.0	220.1	27.8
15	Scottish Eastern Invest Trust	156.3	218.4	28.4
16	Border & Sthrn S'holders Trust	153.1	203.5	24.7
17	Anglo American Secs Cpn	143.3	196.6	27.1†
18	Fleming O'seas Investment Trust	140.8	192.5	26.8
19	Murray International Trust	136.1	184.3	26.1
20	United States Debenture Cpn	134.6	176.9	23.9
21	Scottish National Trust	132.8	178.8	25.7
22	Throgmorton Trust	131.8	162.3	18.8
23	Investors Capital Trust	130.5	164.2	20.5
24	Murray Growth Trust	130.3	155.7	16.3
25	Scottish American Invest Trust	126.9	174.8	27.4
26	Drayton Premier Invest Trust	123.7	159.9	21.8†
27	Lake View Investment Trust	122.2	148.8	17.9
28	Atlantic Assets Trust	120.0	163.9	26.8
29	Fleming Far Eastern Invest Trust	118.4	151.4	21.7
30	TR Trustees Corporation	114.0	159.4	28.5
31	Whitbread Investment	112.3	142.6	21.8
32	Monks Investment Trust	108.6	146.0	25.6
33	Continental & Industrial Trust	105.7	121.0	12.6
34	Second Alliance Trust	103.7	135.5	23.5
35	American Trust	103.0	136.9	24.8
36	Scottish Northern Invest Trust	99.7	124.0	19.6
37	Drayton Japan Trust	98.6	120.6	18.2
38	Drayton Consolidated Trust	94.6	130.5	26.6†
39	Murray Income Trust	94.3	109.5	13.8
40	Merchants Trust	94.1	124.0	24.1
41	Stockholders Investment Trust	90.6	125.1	27.6
42	Securities Trust of Scotland	89.7	122.1	26.6
43	TR Pacific Basin Invest Trust	82.6	104.4	20.9
44	English & New York Trust	81.8	99.5	17.7
45	Raeburn Investment Trust	80.8	107.4	24.8†
46	Fleming American Trust	80.6	126.6	20.1†
47	First Scottish American Trust	79.8	102.2	21.9
48	Northern American Trust	78.8	108.6	27.4
49	Hambros Investment Trust	78.5	110.4	29.0
50	TR City of London Trust	77.4	100.4	22.9
51	London Trust	76.1	96.6	21.3
52	E'burgh American Assets Trust	74.7	106.1	22.9†
53	F & C Pacific Trust	70.6	92.5	28.7
54	Independent Investment Trust	69.4	88.1	21.2
55	Bankers Investment Trust	68.1	89.6	23.9
56	Romney Trust	66.0	91.0	27.2†
57	Fleming Japanese Invest Trust	65.8	77.9	15.6
58	Temple Bar Investment Trust	64.7	82.4	21.5
59	TR Natural Resres Invest Trust	64.2	86.9	26.2
60	Outwich Investment Trust	64.1	87.2	26.4
61	Charter Trust & Agency	63.2	79.0	20.0
62	Fleming Universal Invest Trust	60.5	82.3	26.5
63	River & Mercantile Trust	60.5	77.9	22.3
64	English & Scott Investors Trust	58.1	68.3	14.9
65	1928 Investment Trust	57.2	70.0	18.2
66	TR North America Invest Trust	56.0	75.2	25.5
67	TR Property Investment Trust	55.7	74.9	25.6
68	Tribune Investment Trust	54.3	72.9	25.5
69	Trans-Oceanic Trust	52.6	71.4	26.3
70	Berry Trust	50.9	61.0	16.0†
71	Fleming Technology Invest Trust	48.9	68.1	28.2
72	Electric & General Invest Trust	47.9	63.5	24.5
73	Ailsa Investment Trust	47.2	57.3	17.6
74	North Atlantic Secs Corporation	46.5	61.8	22.2†
75	Murray Smaller Markets Trust	46.2	60.4	23.5
76	General Considtd Invest Trust	45.9	56.1	18.1
77	Abingworth	43.4	59.8	27.4
78	Triplevest Capital Trust	42.5	60.7	30.0
79	Crescent Japan Investment Trust	42.4	50.9	16.6
80	Brunner Investment Trust	42.2	60.8	30.5
81	Ashdown Investment Trust	41.4	51.3	19.3
82	CJR Pacific Investment Trust	40.5	50.6	20.0
83	Law Debenture Corporation	38.6	45.5	15.3
84	F & C Alliance Investment Trust	37.5	47.6	21.3
85	Glasgow Stockholders Trust	36.9	44.7	17.4
86	New Tokyo Investment Trust	35.8	42.3	15.4
87	General Funds Investment Trust	35.0	46.6	19.0†
88	Shires Investment Trust	35.0	58.1	0.9*†
89	GT Japan Investment Trust	34.9	47.5	12.6†
90	River Plate & Gen Invest Trust	34.3	39.9	14.1
91	St Andrews Trust	33.7	46.7	27.9
92	Yeoman Investment Trust	33.6	38.8	13.3
93	Gartmore Infrmtn & Fin Trust	33.3	44.8	25.7
94	Meldrum Investment Trust	32.3	41.6	22.5
95	Japan Assets Trust	30.5	46.9	11.8†
96	British Empire Securities	30.0	28.7	4.2*
97	"Investing in Success" Equities	30.0	37.1	19.1
98	External Investment Trust	28.9	35.8	8.9†
99	Smaller Companies Trust	28.3	33.3	15.0
100	Murray Ventures	28.2	37.5	24.7

† Trusts with convertible shares in issue. * Premium. ‡ Including "B" shares but excluding equity to be issued on conversion of convertibles or exercise of Warrants. § Including "B" shares and equity to be issued on conversion of convertibles but excluding equity to be issued on exercise of Warrants.

Biggest profit increases (UK)

Rank	Company	Sr	Top 500 Rank	Profit Increase %
1	AE	9	220	4,225.0
2	Lucas Industries	9	136	1,452.3
3	Petranol	51	410	1,100.0
4	RHP Group	6	442	785.7
5	Pentland Industries	35	203	658.8
6	Domino Printing Sciences	5	474	500.0
7	Evered Holdings	6	318	466.6
8	Sovereign Oil & Gas	51	366	435.2
9	Premier Consolid Oilfields	51	277	350.0
10	Cope Allman International	11	339	300.0
11	Ocean Transport & Trading	45	174	298.6
12	Charterhouse Petroleum	51	239	268.7
13	Fisher Albert	26	467	266.6
14	Microgen Holdings	5	385	233.3
15	Grattan	34	257	174.2
16	LEP Group	45	312	167.8
17	Cookson Group	10	104	157.1
18	IBL	5	269	150.0
19	Camellia Investments	70	377	150.0
20	Exco International	70	92	148.3

Biggest profit decreases (UK)

Rank	Company	Sr	Top 500 Rank	Profit Decrease %
1	General Accident	66	36	−94.0
2	Bestobell	6	455	−90.1
3	Westland	6	386	−89.2
4	Royal Insurance	66	22	−88.6
5	Charter Consolidated	10	165	−55.4
6	Bulmer H.P. Holdings	22	329	−53.4
7	APV Holdings	6	298	−53.0
8	Gerrard & National	63	274	−48.5
9	Lilley F.J.C.	3	399	−45.6
10	Johnson Matthey	8	244	−45.0
11	Akroyd & Smithers	70	348	−41.6
12	Midland Bank	62	45	−40.0
13	Kenning Motor Group	9	418	−35.8
14	Sun Alliance & London Ins	66	42	−35.1
15	Thorn EMI	29	56	−30.9
16	Barratt Developments	3	215	−29.2
17	Samuel Properties	69	375	−27.9
18	Hampton Gold Mining	81	449	−27.2
19	Matthews (Bernard)	25	367	−27.1
20	Guardian Royal Exchange	66	31	−24.4

A-Z List of the UK Top 500

Company	Rank
AB Elec Products	369
AAH Holdings	353
Aaronson Bros	469
Abbey Life	69
Addison Page	484
Adwest Group	404
AE	220
AGB Research	310
Aitken Hume Intl	393
Akroyd & Smithers	348
Allied McAlpine	293
Allied Colloids Grp	156
Allied London Props	475
Allied-Lyons	23
Allied Textile	431
Amari	450
Amec	187
Amersham Intl	179
Amstrad Consmr Elec	320
Applied Comp Tech	344
APV Hldgs	298
Argyll Group	79
Asprey & Company	394
Ass Book Publishers	403
Ass British Foods	43
Ass British Ports	251
Ass Dairies	30
Ass Newspapers	133
Ass Paper Industries	461
Atlantic Computers	232
Attwoods	499
Austin Reed Group	470
Auto Sec (Hldgs)	290
Automotive Products	423
Avana Group	153
Avon Rubber	451
Babcock Intl	178
Baird (William)	332
Bairstow Eves	482
Baker Perkins	361
Bank of Scotland	90
Barclays	10
Barratt Devpts	214
Bass	21
BAT Industries	5
BBA Group	368
Beazer C. H. Hldgs	242
Beecham Group	12
Bejam Group	166
Bell (Arthur) & Sons	138
Bentalls	462
Beresford S. & W.	122
Bespak	494
Bestobell	455
BICC	106
Bilton (Percy)	297
Birmid Qualcast	357
Black (Peter) Hldgs	322
Blue Circle Inds	73
Boase Massimi Poll.	400
BOC Group	28
Boddingtons Brews	379
Booker McConnell	117
Boots	26
Bowater Industries	151
Bowthorpe Hldgs	209
BPB Industries	95
Bradford Prop Trust	268
Brammer	277
Brent Chemicals Intl	394
Bridon	331
Britannia Arrow Hldg	218
Britannic Assurance	192
Brit & Com Shipping	100
British Aerospace	63
Brit Car Auctions	345
Brit Electric Traction	61
Brit Home Stores	75
British Land	205
British Petroleum	2
Brit Printing Com Cp	145
British Telecom	1
British Vita	388

Company	Rank
Britoil	35
Brixton Estate	260
Brown (John)	417
Brown (Matthew)	295
Brown Boveri Kent	365
Brown Shipley Hldgs	351
Bryant Holdings	383
BSR International	292
BTR	5
Bullough	315
Bulmer H. P. Hldgs	329
Bunzl	118
Burmah Oil	114
Burton Group	54
Cable & Wireless	14
Cadbury Schweppes	53
Caledonia Invests	155
Cambridge Elec Inds	261
Camellia Invests	377
Capital & Coun Prop	182
Carless Capel & Lnrd	238
Carlton Comm	157
Caso Group	207
Cater Allen Hldgs	411
Central Indepen TV	415
Charter Consolidated	165
Charterhouse Petrlm	239
Chesterfield Props	302
Chloride Group	458
Christian Salvesen	124
Christies Intnl	346
Church & Company	460
Clyde Petroleum	341
Coalite Group	160
Coates Brothers	381
Coats Patons	91
Collins (Wm) & Sons	247
Comb English Stores	328
Comcap	485
Commercial Union	47
Consd Gold Fields	40
Cookson Group	104
Cope Allman Intnl	339
Costain Group	137
Cntry & New Town P	414
Courtaulds	80
Cray Elec Hldgs	401
Crest Nicholson	429
Croda Intnl	204
Daejan Hldgs	350
Daily Mail & Gen Tst	236
Dalgety	127
Davy Cpn	273
Dawson Intnl	146
De La Rue	120
Debenhams	84
Dee Corporation	44
Delta Group	162
Dewhurst I. J. Hldgs	399
Diploma	291
Distillers Company	33
Dixons Group	66
Dobson Park Inds	338
Dominion Intnl	454
Domino Print Scnes	474
Dowty Group	109
DPCE Hldgs	387
DRG	208
Dubilier	406
Dunhill (Hldgs)	230
Eastern Prod (Hldgs)	473
Edinburgh Fnd Mngrs	437
EIS Group	443
Electrocomponents	139
Elec Rentals Group	253
EMAP	324
Empire Stores B'ford	416
English China Clays	93
Enterprise Oil	113
Equity Law Life Ass	150
Etam	260
European Ferries	140
Eurotherm Intnl	323

Company	Rank
Evered Hldgs	318
Exco Intnl	92
Extel Group	245
Falcon Resources	480
Farnell Electronics	176
Fenner J. H. (Hldgs)	448
Ferguson Inds Hldgs	433
Ferranti	85
Fine Art Devpts	392
Finlay (James)	241
First Leisure Cpn	337
First National Finance	233
Fisher Albert	467
Fisons	51
Fitch Lovell	206
F[illegible] Electricals	424
Fleet Holdings	148
Flight Refuel (Hldgs)	212
Foseco Minsep	177
Freemans	197
French Kier Hldgs	283
Frogmore Estates	382
Garfunkles Restrts	441
GEI Intnl	471
General Accident	36
General Electric	7
Gent. S. R.	490
Gerrard & National	274
Gestetner Hldgs	336
Gill & Duffus Group	252
Glass Glover Group	446
Glaxo Hldgs	6
Glynwed Intnl	181
Goal Petroleum	500
Goring Kerr	456
Granada Group	98
Grand Metropolitan	15
Grattan	256
Gt Portland Estates	158
Gt Universal Stores	18
Greenall Whitley Co	164
Greene, King & Sons	340
Greycoat City Offices	258
Guardian Royal Exch	31
Guest Keen N'folds	82
Guinness (Arthur)	86
Guinness Peat Group	235
Habitat Mothercare	107
Hadson Petrlm Intnl	466
Hall (Matthew)	254
Halma	359
Hambros	195
Hammerson Prop	69
Hampton Gold Mng	449
Hanson Trust	11
Hargreaves Group	452
Harris Q'way Group	129
Harrisons & Crosfield	87
Haslemere Estates	217
HAT Group	335
Hawker Siddeley Grp	52
Hawley Group	216
Hazlewoods Foods	255
Heath C. E.	168
Henderson Adm Grp	313
Henderson Group	380
Hepworth Cer Hldgs	167
Hepworth J. & Son	143
Hewden-Stuart Plant	468
Hickson Intnl	300
Higgs & Hill	428
Highland Distillers	281
Hill Samuel Group	142
Hillards	294
Hillsdown Hldgs	135
Hogg Robinson Grp	279
Holt Lloyd Intnl	478
Home Charm	215
Horizon Travel	409
Horne Robert	408
Howden Group	373
Hunting Assoc Inds	472
IBL	269

Company	Rank
Ibstock Johnsen	311
Iceland Frozen Food	303
IMI	144
Imp Chem Inds	4
Imp Cont Gas Assoc	97
Imperial Group	24
Imry Prop Hldgs	464
Inchcape	119
Intasun Leisure Grp	342
Jaguar	88
Johnson Grp Clnrs	398
Johnson Matthey	244
Kalon	496
Kenning Motor Grp	418
Kleinwort B'son Lon	138
Kwik Save Disc Grp	131
Ladbroke Group	96
Laing (John)	250
Laing Properties	200
Laird Group	226
Lamont Hldgs	488
Land Investors	445
Land Secs Invest Tst	27
Laporte Industries	108
LCP Hldgs	299
Legal & Gen Assur	34
Lep Group	312
Lex Service Group	194
Liberty	463
Lilley F. J. C.	397
Lloyds Bank	25
Logica	358
Lond & E'burgh Tst	395
Lond Manch Group	175
Lond & Mid Indstrls	402
Lond & Nthn Group	308
Lond & Prov Shop C	391
Lond & Scott M Oil	130
Lond Merchant Secs	186
Lond Shop Prop Tst	354
Lond Utd Invests	432
Lonrho	94
Lovell Y. J. (Hldgs)	407
Low & Bonar Group	396
Low (William)	305
LRC Intnl	198
Lucas Industries	136
LWT (Hldgs)	420
Lynton Hldgs	453
M & G Group	266
MacFarlane Gp (Cl)	444
Magnet & Sthns	149
Majedie Invests	492
Mann & Company	491
Mansfield Brewery	371
Marks and Spencer	9
Marley	180
Marshall's Halifax	412
Marston Thomp Ever	356
Martonair Intnl	434
Matthews (Bernard)	367
Memec	327
Menzies J. (Hldgs)	210
MEPC	77
Mercantile Hous Hldg	172
Mercury Secs	171
Metal Box	116
Meyer Intnl	229
Micro Business Sys	481
Microgen Hldgs	385
Midland Bank	45
Mills & Allen Intnl	228
Minet Hldgs	221
Mitchell Cotts Grp	352
MK Electric Group	289
Molins	438
Morgan Crucible	213
Morrison Wm Supm	240
Mount Charlotte Inv	185
Mowlem (John)	370
Mucklow A. J. Group	422
Myson Group	459
McCarthy and Stone	287

Company	Rank
McCorquodale	314
McKay Secs	493
McKechnie Bros	316
Nat Westminster Bk	13
Newarthill	334
Nichols J. N. (Vimto)	447
Norcros	191
Nthn Engineer Inds	173
Northern Foods	83
Norton Opax	487
Nott Manufacturing	161
NSS Newsagents	457
Nurdin & Peacock	246
Ocean Trans & Tradg	174
Octopus Pub Group	219
Our Price	476
Oxford Instrmts Grp	234
P & O Steam Navig	48
Paterson Zochonis	309
Pavion Intnl	479
Peachey Prop Cpn	330
Pearl Assurance	101
Pearson	70
Pegler-Hattersley	288
Pentland Inds	203
Petranol	410
Pilkington Bros	74
Pleasurama	196
Plessey	41
Plysu	439
Polly Peck Intnl	154
Portals Hldgs	259
Powell Duffryn	184
Premier Consd Oil	276
Pritchard Serv Group	267
Prop & Rever Invests	390
Prop Hldgs & Inv Tst	296
Prop Sec Invest Tst	343
Provident Fin Group	285
Prudential Cpn	17
Queens Moat Houses	306
Racal Electronics	50
Rank Organisation	67
Ranks Hovis McDgl	99
Reckitt & Colman	57
Redland	76
Reed Intnl	64
Refuge Group	189
Renishaw	282
Renold	477
Rentokil Group	132
Reuters	39
RHP Group	442
Rio Tinto-Zinc Cpn	20
RMC Group	126
Rosehaugh	326
Rothmans Intnl	112
Rothschild J.	102
R'tree Mackintosh	72
Ryl Bank of Scotland	60
Royal Insurance	22
Rugby Port Cement	202
Saatchi & Saatchi	115
Sainsbury J.	16
Sale Tilney	498
Samuel H.	319
Samuel Props	376
Samuelson Group	465
Savoy Hotel	152
Saxon Oil	333
Scapa Group	193
Schroders	224
Scot. Newcastle Brw	103
Scot. M'politan Prop.	307
Sears Holdings	32
Securicor Group	271
Security Services	227
Sedgwick Group	55
SGB Group	347
Shell Trans. & Trad.	3
Siebe	243
Simon Engineering	225
Sirdar	372
Six Hundred Group	421

Company	Rank
Sketchley	321
Slough Estates	121
Smith & Nephew	62
Smith W.H. & Son	111
Smiths Industries	105
Sound Diffusion	325
Sovereign Oil & Gas	366
Spirax-Sarco Eng.	249
Spring Ram Corpn.	426
Stakis	223
Standard Chartered	58
Standard Tel. & Cbl.	59
Staveley Industries	374
Stead & Simpson	349
Steel Bros. Holdings	317
Steetley	170
Stewart Wrightson	251
Stock Conversion	141
Stockley	264
Sturge Holdings	284
Sun Alliance London	42
Sun Life Assur. Soc.	89
Sunlight Service	440
Superdrug Stores	237
Suter	375
Systems D'ners Int.	272
Systems Reliability	486
Tace	483
Tarmac	46
Tate & Lyle	125
Taylor Woodrow	134
Telemetrix	362
Telephone Rentals	211
Tesco Stores Hldgs.	38
Thorn EMI	56
TI Group	199
Tompkins F.H.	360
Tootal Group	201
Town Centre Secs.	430
Trafalgar House	29
Transport Dev. Grp.	183
Travis & Arnold	419
Tricentrol	169
Trust House Forte	37
Tunstall Telecom	489
Turner & Newall	263
U.E.I.	278
Ultramar	78
Unigate	110
Unilever	19
Union Dis. London	304
Unitech	265
United Biscuits	65
United Friendly	363
United Leasing	427
United Newspapers	159
United Parcels	405
United Real Property	364
United Scientific	262
Valor	413
Vantona Viyella	190
Vaux Group	248
VG Instruments	222
Vickers	147
Waddington John	389
Ward White Group	163
Warner Estate	355
Warnford Invest.	436
Wates City London	275
Watts Blake Bearne	435
Wedgwood	301
Westland	386
Westpool Investment	286
Whatman Reeve	378
Whitbread	49
Whitecroft	497
Wholesale Fittings	495
Willis Faber	81
Wilson Connolly	270
Wimpey George	123
Wolseley Hughes	188
Wolv. Dudley Brws	257
Woolworth Holdings	71
Yule Catto	425

DIVERSIONS

Antique photos auctioned

IN THE early 1850s, with typical Victorian enthusiasm for self-improvement, a group of keen photographers formed the Photographic Club to exchange examples of their work and advise each other on technique. In 1855 they produced an album to which 41 photographers contributed, ranging from a Roger Fenton image of camp life in the Crimea to Count de Montizon's ambitious shot of a slumbering hippo in Regents Park Zoo. On Friday, Sotheby's is offering the album for sale and expects bids of around £20,000.

Ten years ago, an identical album went for £4,000, indication of the steady appreciation in price of good photographic material. Both Sotheby's and Christie's started to sell photographs seriously in 1971 in response to a burgeoning collectors' market, especially in the U.S. During the 1970s prices went ever upward, with a strong speculative investment element appearing at the end of the decade. The inevitable price reaction produced some dull years after 1980 but the market has recovered its confidence and is in a buoyant mood.

Next week, overseas collectors — and the most expensive items invariably go to the US, or the continent — will be gathering in London for the auctions being held by Phillips on Wednesday, Christie's South Kensington on Thursday and Sotheby's on Friday. London is the undisputed centre for 19th century photographic images. New York dominates in 20th century material.

The salerooms' optimism is based on the good results they achieved in the last series of sales in June. Sotheby's established a British record price for a single image when a portrait of Julia Duckworth, the mother of Virginia Woolf, went for £13,000. It was the work of Julia Cameron, one of the most celebrated Victorian photographers, and was of exceptional quality. More routine examples of Cameron's work are on offer next week, ranging in estimate from £150, to £1,750 for a portrait of Carlyle.

Christie's South Kensington had an even more remarkable experience in June. It sold a group of paper negatives by George Shepherd for £10,000. In 1981, the same lot had been bought in at £500, and in 1982, it was unsold at £420. Three years later, two potential buyers bid each other into the ground for the negatives. In the same sale, two albums by Llewellyn, who worked in Wales in the 1850s, sold for £6,000 and £8,500. In 1983, Christie's South Kensington withdrew them from a sale when the best bids in the room were £1,200 and £800 respectively.

Nothing quite so unexpected is likely next week but there are some interesting lots. As well as the Photographic Album, Sotheby's is offering a tiny discoloured scrap on which glimmer the windmills of Montmartre: it could sell for £10,000. It is the work of Hippolyte Bayard who, along with Fox Talbot and Daguerre, is considered to be one of the founders of photography. His stature is growing and this is only the second example of his work to appear at an auction—the first sold at Sotheby's for £6,500.

It is possible that the Getty Museum will bid for the Bayard. Its persistence in building up probably the best photographic collection in the world has undoubtedly contributed to the rise in prices. Not only does it buy at auction (usually through an intermediary) but it has also acquired some of the best private collections.

It almost certainly already has a copy of the most important lot offered at Christie's South Kensington on Thursday—an album of photographs of Nevada and Arizona taken between 1871 and 1873 by O'Sullivan and Bell. From an original edition of 50, only 12 other copies of this work are known. The most recent to appear on the market sold for £12,000, but that had only 25 plates and was of a later exploration. Christie's is confident of bids around £30,000 for this item, with its obvious appeal to American collectors.

Another album which could far exceed its £500 to £700 estimate is 84 photographs of the early 1860s which combine images of the activities of the Royal Engineers in Kent with some very rare photographs of Guatemala. There should also be bidding interest in an album of 72 prints taken during the Magdala expedition in Abyssinia in 1868 which liberated European prisoners held by the Emperor Theodorus: it is estimated at £500 to £800. Despite the occasional high prices, the average lot in a photographic sale goes for £500.

Elton John, George Michael, Bernie Taupin and Kiki Dee as captured by David Bailey for Live Aid

Although new faces have been observed in the saleroom in recent years, this is not a particularly broadly based market. In the U.S., successful professionals, like dentists and lawyers, enhance their rooms with 20th-century images: not so in the UK. Collectors concentrate on one small sector of available material—it could be daguerreotypes or travel albums, pre-1850 images, or the work of one photographer. In recent years, early material seems to be in greatest demand with less interest in topographical albums of the later 19th century, which are in abundant supply. Condition and rarity are of the essence.

The market has been active long enough for the experts to know what is desirable. A few years ago, an image could appear, like the famous photograph of Brunel which excited collectors and sold for £5,200, only for half-a-dozen identical images to surface later. Now although there is more information about what is available, given the abundance of material there will still be surprises.

Photographs for the salesroom are, of course, still being created. David Bailey is not usually keen to sell his work but on November 4, 35 photographs that he took backstage of the artists who took part in the Live Aid concert at Wembley in July go under the hammer at a Sotheby's charity auction in aid of the Band-Aid Trust. The prices for the signed portraits depend upon the generosity of the invited audience. While most should go for a few hundred pounds each, others might fetch over £1,000.

Antony Thorncroft

Stamps

Post haste—by pigeon

Janet Marsh looks at the history of air mail and previews on auction.

AN AUCTION of airmail stamps and covers at Phillips next Thursday—including the notable 46-volume collection of the late William George Berry of Chorley, Lancs—demonstrates the range and fascination of the subject, and the extent to which philately and printed ephemera overlap.

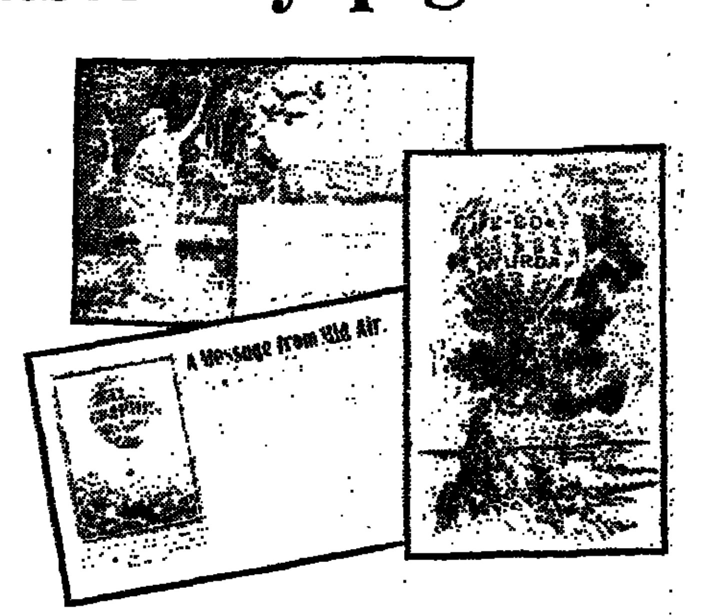
Thefirst air mail cannot be dated with certainty. Balloonists of the early 19th century resorted to every publicity trick, and it is probable that one had the idea of carrying small mail freight: but no tangible evidence has come to light. The earliest and one of the rarest items in Phillips' sale, however, is a small printed slip on flimsy paper which reveals that as early as 1850 the Admiralty was experimenting with the idea of balloon mail. Such slips were dropped from balloons, with an exhortation to the finder (if any) to post it immediately to the Secretary of the Admiralty, stating the time and place where it was found.

Nothing seems to have come of this, though; and the world's first large-scale air post was during the siege of Paris in 1870, when balloons were used to fly mail out of the city. This also involved a forerunner of the microfilm: the corerspondence was reduced photographically to miniature size and, on receipt, had to be enlarged by the use of adapted magic lanterns.

Receipt was by no means certain. The balloons were unmanned and in no way dirigible, so that it was pure luck whether the mail fell into Prussian hands or came to earth among a population friendly enough to post it on.

The only means to get mail back into beleaguered Paris was by homing pigeon: and again—in view of the birds' restricted freight load— letters were reduced photographically onto tiny rolls of flimsy paper. The idea of pigeon post was to revived intermittently in later years: as an advetrising stunt, the French newspaper Le Matin organised a cross-Channel pigeon post in July 1905. The pigeons were launched from a yacht off, Penzance, Cornwall. On arrival at Routcoing, on the Franco-German border, the messages wer transferred to tiny envelopes attached to postcards depicting a busty Edwardian nymph intent on despatching a fleet of pigeons. An example in the Phillips sale is expected to realise upwards of £300.

Messages despatched by pigeon post in India eary in the 1930s, although considerably less valuable, have the added charm of bearing the names of the birds which carried them to Calcutta: "Lonesome," for example, flew from Asansol and "Queen B" from Chandegore.



Three early airmail cards: Life-boat at Manchester 1903; pigeon post 1905; and a card thrown out of a Daily Graphic expedition balloon 1907

Balloon posts continued as isolated stunts into this century. Few of the postcards carried by air during the celebrations of Edward VII's coronation seem to have survived; and a comparable rarity represented in the Phillips sale is a coloured postcard sold at 3d and dropped from a balloon in aid of the Saturday Lifeboat Fund in September 1903 (the flight had been planned for August 29, 1903, from Manchester, but was postponed on account of rain). The Phillips example should realise upwards of £500.

By 1912, Germany was running a regular internal air mail by zeppelin and issued what seem to be the world's first airmail stamps. (Britain never issued anything similar although it did, around 1930, introduce special blue-painted airmail post-boxes that survived until the outbreak of World War II. Germany's faith in the dirigible was persistent: despite the R101 and Hindenburg catastrophes, zeppelins were still being used as mail carriers as late as 1936.

By the end of the century's first decade, however, it had become clear that the fuuture belonged to heavier-than-air craft. The first air mail in Britain apears to have been caried by Grahame-White at the Augst 1910 Blackpool flying Carnival. The distance was only seven miles; even so, a postcard in the Phillips sale is overprinted with aplogies for delayed arrival. The flight set out on August 3; the card was poped into a Clifton postbox 27 days later.

The first UK mail sanctioned by the post office was organised to celebrate the coronation of George V. The two-way flight carried cards and envelopes between London and Windsor. Privilege still prevailed: while the organesing committee had special violet-printed stationery, the rest of the population made do with grey, green or brown. Mail from these commemorative flights seems to have survived in quantity: even so, a violet privilege envelope can stil realise wel over £100.

From this time on, the flying craze was in full swing, with newspaper proprietors offering massive prizes for record flights. Both newspapers and aeronauts found that an effective way to subsidise their undertakings was to sell the public the novelty of air mail: and it is still possible to find an abundance of picture postcards flown at air shows up to about 1930.

Britain's first regular external air mail service was launched in 1919 with the Paris to London run. The initial charges were astronomical for the time, at 2s 6d an ounce: but by the 1930s this had been reduced to 2d. The rides could be bumpy: one Paris mail flight was forced down 33 times; and a November 1919 cover in the Phillips sale (estimate £150-£200) is overstamped with a Post Office apology (those were the days) for delay on account of fog.

The star items in the sale also date from 1919: two covers carried by Captain Ross Smith's Vickers Vimy in the £10,000 London to Australia air race. Each is estimated to realise between £1,000 and £2,000.

Odder pieces of airmail history recalle dinclude a craze in 1929-30 for catapult mail: abortive essays with rocket mail: and the contest in 1933 between the Great Western, International Airlines and Provincial Airways to establish a West Country air letter service. It is hardly surprising that this was short-lived, given the adventures of a group of letters in the Phillips sale. These travelled on the GWR's last flight from Cardiff to Birmingham but it was turned back by fog: and the letters eventually arrived ignominiously at their

A supermarket for art

Modern painting and low prices spell sell-out for this Covent Garden sale, says Deanna Petherbridge.

EXUBERANCE of paint and subject matter marks the selection assembled by the Contemporary Art Society for its Art Market from October 30 to November 2 at Smiths Galleries in Covent Garden. Last year's CAS Market was practically a sell-out, with queues on the opening day. This year, with prices still pegged at between £50 and £500 and all the works under 3 ft, purchasers will be able to carry off their art in bags sponsored by Sainsbury's; with possibly a little help from a taxi for buyers intoxicated into acquiring more than a bag's worth.

The success of the CAS Art Markets is not only due to low prices and chance finds. The works have been selected by people who understand new art. CAS has been buying contemporary art for Britain's museums since 1910. Selection for this sale has been going on since May. With visits to artists' studios, exhibitions, and the "degree shows" of major art schools, the selectors have hunted out low-priced works by well established artists and prospected for new talent.

Buyers will be able to acquire the work of internationally famous artists like Bridget Riley, Anthony Caro or Dame Elizabeth Frink, or artists well known in the gallery circuit like Stephen Farthing, Richard Wentworth, Dhruva Mistry, as well as that of unknown artists. Regular collectors say that there is nothing more stimulating than following the career of a new talent in whom one has made an investment. There will be an informed staff on hand but in the bustling atmosphere of a four-day market, removed from the chilly remoteness of most temples of modern art, choices are anything but agonising.

Most of the paintings—and occasional drawings, prints and small scluptures—are figurative, ranging from the nude studies and landscapes of Anthony Caro, Britain's top abstract sculptor, to the zany historical subjects of Ansel Krut, a post-graduate student at the Royal College of Art. Krut's nudes, in the style of a 20th-century El Greco, look wryly at Salome's Progress, and in Encounter, a large Brunhilde figure, who shelters a female behind her enormous bosom while confronting a passing nude male in an operatic moment. The humour is enhanced by the fact that it is only 14 ins by 11 ins and costs just £200.

The smallness of the works enhances their subjects. In Hugh Davies' Figure and Sculpture, nude moves in the background while a wrapped sculpture broods ominously on a plinth. Wry questions are also asked in Ana Maria Pacheco's powerful drypoint etchings, priced at £80. In The Three Graces, a questioning nude lady in boots contemplates a suspended pig. Animals are ubiquitous, from Nicola Hick's plaster snake, and Marc Steene's bull—both are ex-students, already exhibited widely — to cheerful oil sketches of parrots from Maggi Hambling, well known from her time at the National Gallery and her portraits of Max Wall.

Contemporary Art Society officials Petronilla Silver (left) and Caryl Hubbard prepare for the Covent Garden sale

The choicest bargains will probably be works by Prunella Clough. She is not very well known but is a major British artist of great sensibility. At £400, her small intense Urban Detail should not be missed, with its smoky melancholy of an autumn urban scene. It would also be very satisfying to acquire the jewel-like collages of Michael Ginsborg, an artist in mid-career. He has done a series at £350 in which the angular language of architecture and abstraction has been reconstructed into tight, bright reliefs. A fun bargain might be the £15 fragments of wallpaper, decorated with Panache and throw-away gentility in a range of forks, spoons and tin-openers by Mikey Cudihby: Or to invest £60 in a sophisticated print by Panayiotis Kalorkoti. Whistler's Mum is attracting rather a lot of stray cats in one print. In another, Picasso, confronts the world from the top of a plinth.

The gallery, which is open from 11 am to 8 pm, is at 33 Shelton Street, Covent Garden.

Of stripping and smearing

Patricia Morison uncovers the secret of furniture care

WHAT BETTER task for a wet weekend than a spot of what the French call bricolage, which is to say, tarting up furniture. But will you be doing the right thing, as you start to strip that Edwardian chest or lovingly smear the Georgian roll-box with beeswax? I asked John Kitchen, of the furniture conservation department of the Victoria and Albert Museum for his tips on furniture conservation.

Lazy weekenders will be cheered by his advice: when in doubt over furniture treatment, leave it alone. Many people have an unnecessary guilt complex (no pun intended) in thinking that furniture longs for polish. Polish need be applied only a few times a year: some of the V & A's treasures see wax only two or three times. Dusting is vital, however, since dust and damp are very damaging especially to metal fitments like handles and casters.

The V & A's recipe for a top-class polish is: two parts of carrauba wax to two parts paraffin wax and one of beeswax, totalling one pound. Melt this on a very slow heat, remove and pour on about three times the volume of turpentine. To avoid overstretching the fire brigade, please remember that this is extremely flammable. It keeps well if sealed when cooled. It is easily absorbed, not sticky, and protects against dust.

The indolent householder should stay with an aerosol of Pledge polish or a pump can of Yorkshire Old English real beeswax. Choose those which contain no silicon. This can quickly build into a thick, lumpy and tenacious film. Sad to say, beeswax from your local apiarist has no special virtue beyond a sweet smell. It should be left at least a day before it is polished off.

Nor is chamois leather the ne plus ultra of housework. Because they are expensive we use them for too long so they gather grit and may scratch. A simple, well washed cotton duster is best.

Bricolage enthusiasts should pause before sloshing on a fluid to exterminate woodworm. The fluid may alter a piece's colour (for example, a satin-wood veneer) at least for some years. Nor would purists approve since this adds an alien substance which may hinder a museum conservator's aim to stabilise an object's condition.

The V & A always fumigates pieces, but ordinary mortals will find it hard to follow the fumigation trail. Rentokil offers the service, but say that it is so costly you should consider it only for things costing four figures or which are irreplaceable. The worm may well re-infest once the piece is back home.

John Kitchen abhors the mania for stripping wood. If a piece was originally painted, we should respect the maker's intention. Caustic, almost always used by strippers, can damage surfaces and lingers long, making further remedial work tricky.

But if you are a compulsive stripper, use Nitromors. For varnishing the V & A uses three coats of Shellac, but amateurs can use *polyurethane* varnish as long as it is easily removable. But always consult an expert about any piece for which you really care.

This raises uneasy questions about what dealers do to make their wares so handsome. Certainly a great gap exists between their "restoration" methods and those which museum conservators regard as acceptable. Imagine a piece of design missing from an inlaid cabinet: the museum conservator might fill the gap with a plain piece to protect the edges, but the restorer in the market place will fill in wifh what he "knows" or imagines was there.

"Restoration" quickly becomes fabrication, and the customer pays sweetly for what he thinks is craftmanship of the 1780s, but is vintage 1980s. John Kitchen maintains that all antique furniture should carry log books in which dealers record details of all repairs. Unfortunately the trade is unlikely ever to accept this, since it is worth a lot for the dealer to be able to claim that a piece is 'unknown to have been restored."

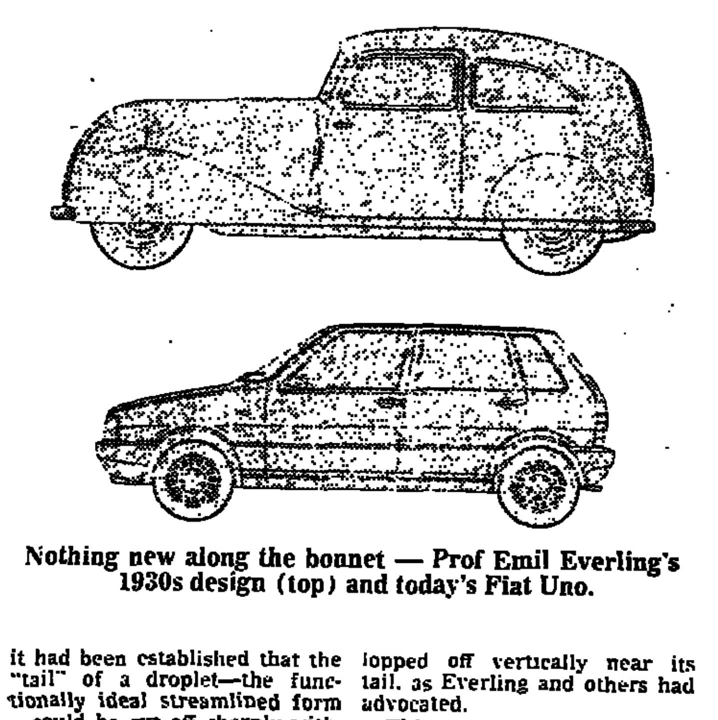
Kitchen is president of the recently established British Antique Furniture Restorers Association, which will provide you with names of BAFRA members in your area, to whom you may apply for expert advice, Write to the chairman, BAFRA, Nash Court Farmhouse, Marnhull, Sturminster Newton, Dorset, DT101JZ.

Design

Wheel turns full circle

THE DESIGN of today's wedge-shaped Audis and Fords is a welcome advance on the wasteful, low-slung streamlining which dominated European car design until just a few years ago. But they are less "new" than they claim. They and the Fiat Uno, the most "rational" of all modern cars, represent a return to design principles formulated in the 1930s but subsequently discarded in the rush to turn cars into stylistic status symbols.

That, in essence, is the thesis of Otl Aicher, a German designer and writer whose exhibition, *The Car*, has just opened at the Boilerhouse gallery of London's Victoria and Albert Museum. After the excesses of this week's Motorfair at nearby Earls Court, the asceticism of his argument comes as a breath of fresh air, despite its relentlessness.



Nothing new along the bonnet — Prof Emil Everling's 1930s design (top) and today's Fiat Uno.

Apart from the single car on display (no guesses — a Fiat Uno), the exhibition consists only of photographs and commentary panels, but it is nevertheless more than merely informative. In its discussion of the disputed principles of aerodynamics, its examination of the social impact of the car, and its vicious comparisons between famous vehicles, it is continually provocative and entertaining.

Otl Aicher was barely 11 when, in 1933, Germany's famous Bauhaus design school was closed by the Nazis. Yet he has always been one of the most earnest and literal disciples of its functionalist principles. After the war he was one of the founders of the Hochschule fuer Gestaltung in Ulm, whose mission was to instil Bauhaus doctrine into a generation of designers and, indirectly, consumers.

It succeeded only to a limited extent before its closure amid the student riots of 1968; one of its few really influential graduates was Dieter Rams, who for the past 30 years has put that doctrine into practice at Braun, the West German electrical appliances manufacturer.

Aicher's critique of car design over the same period rests on his exposition of state-of-the-art aerodynamics circa 1938. By then, as he tells and shows us, it had been established that the "tail" of a droplet—the functionally ideal streamlined form —could be cut off sharply without much reducing its ae-ro dynamic efficiency. In other words, even quite tall vehicles with a short wheelbase could produce a small amount of drag.

By the same token, low-slung sports car shapes (as in the E Type Jaguar, Porsches, and the Citroen DS 19), were not only unnecessary but disfunctional. Aicher illustrates this, in terms of both aerodynamic performance and passenger comfort

During the 1930s several ultra-rational designs had been produced by designer-engineers such as Professor Emil August Everling, head of a research centre in Berlin (see above, top). It has taken the best part of half a century to get back to Everling's starting point, in the form of the Fiat Uno (above, bottom).

In the meantime the early work of Everling and others, such as Professor Wunibald Kamm and W. E. Lay, was forgotten. Instead, in Aicher's words, "we were all convinced for a very long time that good-looking cars had to be long and low-slung—a throwback to the original half-droplet form kept alive visually by the racing car." The droplet was sliced in half from side to side, rather than lopped off vertically near its tail, as Everling and others had advocated.

This "aesthetic ideology," as Aicher calls it, was doubly inappropriate. Drag coefficients, and therefore petrol consumption, were far from ideal. So was passenger convenience: in a series of devastating attacks, he describes the E Type Jaguar as having "scarcely enough room for a weekend's luggage"; the Citroen DS as "reducing passengers to the status of space-shuttle occupants"; and the Mercedes 500 SEL as having barely more interior space than the wondrous Fiat Uno.

"The monumental size of a Mercedes or a Jaguar is all nose and tail, and nothing more," Aicher insists. "Most large cars are large only because of the redundant aspects of their design . . . how sad it is that sheer size for its own sake remains a prestige factor, regardless of the efficiency of the package."

Exaggeration though this may be, it gives some clue to the thought-provoking nature of Aicher's message. His quirky exhibition should prove of interest to every car traveller

● The Car exhibition open daily except Friday. Closes on November 24.

Christopher Lorenz

Law lends a wall to art

Tim Dickson looks at a variation on the gallery

VISITORS TO the new West End offices of Wilmer, Cutler and Pickering, a medium-sized American law firm, could be forgiven for thinking that they had entered an *avant garde* art gallery.

They would not be far wide of the mark. For WCP—best-known in the legal fraternity for its involvement in the recent Laker Airways case and its work on behalf of the Greenpeace movement — has started an imaginative scheme to boost young British artists and improve the working environment of its 20 or so London-based staff.

The idea is simple. Instead of buying or renting expensive prints from one of several intermediaries which help London companies adorn their walls WCP has opted to lend space for six to eight month periods to promising but unrecognised young artists. Unlike commercial art galleries, which take a 30 to 40 per cent commission on sales, WCP makes no charge. The paintings will be exposed to the busy international law firm's many clients and other members of teh legal fraternity.

The scheme was welcomed this week by Carol Hubbard of the Contemporaary Art Society. "Businesses in London are only just starting to put modern art on the wall and, in most cases, they go out and buy paintings," she said. "This idea is an interesting varient. While I have heard of one or two restaurants doing the same thing, I don't know of any firms."

WCP's first exhibitor, 33-year-old art lecturer, Martyn Brewster, has already sold eight of his 28 works on display for, in most cases, several hundred pounds each. Two are destined for North America.

Dieter Lange, WCP's German-born senior European partner and a modern art enthusiast, admits that the scheme was inspired by his company's tiny art budget. "With only £1,000 to £2,000 to spend, we might have been able to buy one decent print but we certainly couldn't have been able to build up a collection in the way that bigger businesses can," he explains. "I first encountered the idea of lending space to young artists in Germany but it is also quite common in the United States. I thought it would be good to try the same thing in London."

WCP arranges the lighting and organises a private viewing for each artist. The first, for Brewster, was combined with the opening of the new offices. Responsibility for hanging lies with the artist.

Lange believes that the scheme can benefit the staff as well as the painter. "It represents an exciting change in our working environment. My colleagues and the secretaries are all very interested and the paintings are a frequent source of discussion. It helps break down the idea that coming to the office is just about doing one's work and then going home again. We spend so much of our working lives here. Not everyone has the same taste, he concedes, "but I plan to get my colleagues to take it in turn to chose a new exhibitor."

Educated at Heidelberg, Bonn University, and Oxford, Lange has long been passionately interested in modern art. As a student, he helped to found a highly successful art and music centre in an old railway station near Bonn. He is particularly fond of the German Expressionist period.

Dieter Lange (left) and his first 'exhibitor,' Martyn Brewster. Behind them hang Brewster's paintings.

He believes that initiatives like that of WCP can increase the demand for good art. "Even those visitors who do not wish to purchase works of the artist on display may be encouraged to seek other works which they prefer from the host of nearby commercial art galleries."

● A Royal Institute of British Architects' conference in London on November 8 will promote "the use of the visual arts in the working environment." After an address on corporate patronage by Mr Richard Luce, the Minister for the Arts, the conference will concentrate on the experience gained in the UK with lectures, discussion and an exhibition.

First of an occasional series

Joy Melville tries out homeopathic cures

The whole answer

"DO YOU like cats and dogs?" the doctor asked. "Are you afraid of thunderstorms? Do you prefer to be cold or hot?"

Homeopathic doctors ask unexpected and apparently irrelevant questions. They assess you from a viewpoint different from the orthodox medical one. They treat you as a whole person, so instead of just concentrating on your physical ailment, they are concerned with your mental and emotional attitudes too.

Homeopathy works on the same principle as vaccine. Patients are given tiny doses of natural substances which cure them by alerting the body's natural defences. Most of these substances are herbs and minerals: some are even poisons like belladonna — heavily diluted, of course. For example, Samuel Hahnemann (1755-1843), the first homeopathic practitioner, successfully treated scarlet fever (whose symptoms are frequently a hot, flushed, dry skin and hallucinations) with belladonna (which gives the same effect).

No two people are ever given the same medicine for the same illness, as your prescription is based on you as an individual. This is why homeopathic doctors want to know about your physical characteristics, psychological make-up, the way you live, reactions to your job, and how the illness you have affects you.

After making my appointment, I was sent a questionnaire asking for details on family illness what illnesses I had had and the treatments received, and what drugs or *medicine I was currently on.*

I went to a homeopathic doctor because I realised that over the past ten years or so, I had gone to my NHS doctor only for illnesses related to stress. I explained that I wanted to keep my NHS doctor, but felt I should try a more preventative approach.

During my hour-long consultation, I felt as if I was seeing a therapist. *(My GP never encourages me to talk).* He went through the notes I had given him on my medical history, starting with childhood illnesses —which were measles at the age of four. Could I tell him about that? I said all I remembered was *disliking* the darkened room, and constantly pulling back the curtains—leaving me with poor sight. How had I known that? Years later at school, I found I couldn't see the blackboard.

ALTERNATIVE MEDICINE

Detail like this characterised the consultation. I was asked about food—possibly because I had put a rebellious note on the questionnaire to the effect that I lived mainly on chocolate and fish and chips, loved white *bread, cream and butter,* and loathed anything that smacked of health like lettuce and muesli. *Did I, he asked, even like the fat on meat?* What else didn't I like? Did I always prefer sweet to sour? What food disagreed with me?

He asked an equal number of questions about my feelings and reactions. When I mentioned the illness from which my *father died, he wanted to know* if I had cried much at his death and whether I cried easily.

He also asked if I was able to describe my personality in a few words—I said I was lighthearted. Was I a jealous person? Did I have any fears?

He suggested I take some medicine. I asked what kind, but he just said it was based on what I had told him. Homeopathic doctors don't like telling you the exact contents of what they give you.

If you found out one of the *ingredients was, say, something* called lycopodium—which you then looked up in a homeopathic textbook to find *it was for those* who were "avaricious, greedy, miserly, malicious, pusillanimous"—you might misinterpret what was going on and storm out.

My homeopathic doctor told me that my early measles had been a crucial element in the prescription. I was to go back in a month and report results. I did, in fact, react to it the next day—which he said could happen—by getting a bad headache. If your symptoms worsen after the medicine, it's called "*homeopathic aggravation*" and signals that improvement is in sight.

Homeopathy has the royal seal of approval, and a vast number *of people have found it a very* successful form of treatment: about 16,500 every year go to the Royal London Homeopathic Hospital.

Nevertheless, homeopathic treatment has attracted criticism from orthodox doctors. In a letter to *The Listener* in *1980, a Fellow of the* Royal College of Physicians wrote: "Homeopathy is pseudo-science based on nonsensical beliefs, and it has gained a spurious respectability from royal association. . . . The results of the homeopathist's disregard or ignorance of scientific pathology and physiology may be disastrous."

Should the public be warned? I asked Professor James Payne, chairman of the British Medical Association's working party on alternatve medicine, if he agreed. He said it was too simplistic to give a "yes" or "no" to homeopathy, "but one of the advantages of homeopathy is that the practitioners don't immediately put patients *on drugs — which is great,* providing you don't need drugs.

"If you are in need of anti*biotics, or you develop* something like osteomyelitis, or some other serious infection, then homeopathic remedies *don't help you much.*

"I think probably the patient with chronic disease who has been under treatment for a long time may well find a benefit in homeopathy, but the patient with an acute illness, like a heart condition or renal failure, *may not* be sure of what he has got and needs to be seen by his (orthodox) doctor."

Costs

MOST medically qualified homeopaths and all lay homeopaths are in private practice. There are four NHS *homeopathic hospitals in this* country (Liverpool, London, Tunbridge Wells and Glasgow). *If* you go to one of these, you must take a letter of referral from your GP.

The Royal London Homeopathic Hospital, Great Ormond Street, London WC1, will send a list of homeopathic doctors; and such a list, as well as books and information, can also be obtained from the British Homeopathic Association, 27a Devonshire Street, London W1.

***I paid £35 for my initial* consultation, which lasted an hour. Further consultations *(which are likely to last 15-20 minutes),* will cost £16.**

Prodigious growth at Glee

Gardening

THE ANNUAL international Garden and Leisure Exhibition, with the appropriate acronym Glee, grows prodigiously. This year it filled three of the large halls in the National Exhibition Centre at Birmingham with more than 500 exhibits.

As it is exclusively a trade show it seldom gets a mention in the Press, but it is an important indicator of the way things are going in horticultural *hardware.* This *year* showed a notable increase in exhibits by nurserymen, including several by water plants specialists. There was also a great increase in the number of exhibits of power driven garden machinery, from the smallest petrol engined lawn mower I have yet seen to some very large machines specially designed for garden contractors.

I went to Glee to look at greenhouses and conservatories which are taking up an ever greater share of the garden *market as lean-to glasshouse* standards improve. For many years they were at the bottom end of the market but are now restored almost to the position the held in Victorian and Edwardian days when well-to-do garden owners used them as vineries, fruit houses and conservatories.

I doubt that many people are *now buying lean-to greenhouses* primarily for grapes, peaches and figs, but they are clearly using them as conservatories, perhaps *wth the emphasis on* their use as extra living space. Evidence of this comes in the way conservatories are developing with fine paint finishes to the sturdy aluminium framework, substantial smooth sliding doors and good quality fittings. *However, there is often not as* much provision for efficient ventilation as I would wish.

Plenty such conservatories were on show at Birmingham but I did not find anything particularly novel in this line. What I did find was a very *modern approach* to ultilitarian glazing in the exhibit of Serac, Aldingbourne, Chichester, specialists in *making glazing* panels of stressed plastic film.

Arthur Hellyer finds greenhouses restored to former glory.

Those I examined were made of a Du Point product named *Tedlar on the outside and an* JCI product named Melinex on the inside with an inch air space between.

The insulating advantage of this large air space is obvious. The benefit claimed for the mixture of covering materials is that Tedlar has a long life even in very high light intensities and that it protects the *Melinex on the inside of the* panel from deterioration caused by ultra violet light. Since the panels are very *light, they can be large, thus* reducing the number of glazing bars required but panels of any size can be produced to replace glass in existing greenhouses.

The huge 1¼ acre greenhouse block that has just been built for the Stoke-on-Trent National Flower Festival next year has a roof glazed with Serac panels. To my eyes, such panels do not *look as nice as glass, and that is* why I referred to the system as "utilitarian" but it does seem to offer important advantages in cost and efficiency.

I came upon a neat little automatic vent opener for *garden frames.* For many years I have used thermally expanded openers for my *greenhouse ventilators and* have become so dependent on them that I cannot recall how I managed without them. But this is the first time I have seen the system, which is quite independant of electricity, scaled down for a frame. The *small expanding unit which* powers the device is a modified car thermostat and the same idea, *on a larger scale, is available* for greenhouse ventiltors up to 13½ lb weight. Both devices are made by Europa Manor Engineers, Brackley, Northants.

Automatic watering is another matter that interests *me and I am constantly experi*menting with it. At the moment, apart from an electrically con*trolled misting unit for cut*tings, I have reverted to a rather primative device, the Humex Watermac, which sup*plies water for pot plants to a* capillary blanket laid on solid staging or directly to the soil for tomatoes, cucumbers and other plants growing in beds. The Watermac is simply a little storage tank fed through an adjustable drip feed by a hose *connected to the mains.* Its merit is simplicity— no electricity to fail while I am away from home, no moisture sensors to become furred with lime but, equally, no adaptation to changing weather conditions except that which I arrange by changing the rate of drip.

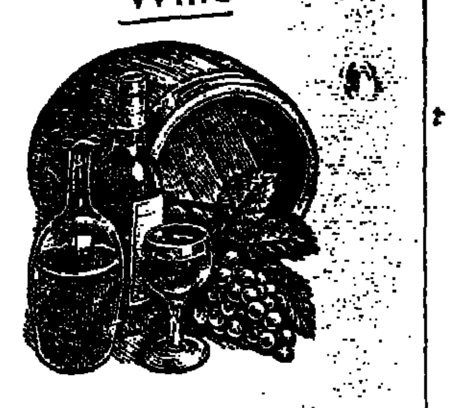
At Birmingham I looked at the comprehensive range of *self-watering pots and plant* containers marketed by Grosfillex, 10 Chandos Road, London, NW. The idea is not new and it is easy to make one's own self watering pots by pushing any kind of wick through the drainage hole in an ordinary *plastic or clay* pot and allowing it to hang down into a water container. I have occasionally used *this method for house* plants when I have been away for a week or so and it works very well. But specially manufactured self watering pots, such as those made by Grosfillex, are much more sightly, since water container and wicks *are hidden* within the pot, and the whole thing is clean and efficient. Many sizes and shapes are available including large

ornamental planters for standing on balconies *or in patios.*

There is a danger with all devices that supply water from *below* by capillary attraction: because water movement is mainly upward, unused chemicals may accumulate in the soil. The remedy is to allow the reservoir or the capillary mat to dry out occasionally and then flush the soil with clear water *from above to remove excess* chemicals. Then allow a day for the water to drain away before resuming the capillary watering.

Wine

The Rhones are a rare breed



THERE IS *no doubt that 1985* will be a very fine vintage in the Rhône, and Rhône wines are always good value, especially in relation to Burgundies.

The leading wines of the northern area, centred on Tain l'Hermitage, now fetch prices commensurate with their quality though scarcely with their limited production. The limited supply means that in order to secure wines of very successful vintages from such as Hermitage and Côte Rôtie, one must buy them in the opening *offers of Rhône wines.* These are now made almost as regularly by wine merchants here as for clarets. Some of the top Hermitage '83 was strictly rationed, and this could happen with the '85, since, after an extremely hot vintage, the crop is likely to be small.

The essential red wine grape of the northern Rhône is the Syrah. This grape does not figure prominently in the south. To mollify the powerful wines it produces, up to 15-20 per cent of white wine may be added. Rather as in Tuscany, white wine may be blended in for Chianti. This is done less and less because of the rising world demand for white wine. This area also produces Jaboulet's Hermitage *Chevalier* de Stérimberg, which is best drunk young and Chapoutier's Chante-Alouette, a non-vintage blend made on more traditional lines.

The Tain co-operative also produces agreeable white Hermitage and Crozes-Hermitage. Altogether, about 10 per cent of the northern Rhône production is white, and 25 per cent of Hermitage. Yet, in my view, the first duty of Hermitage is to be red. For there is very little of it. As visitors to Tain will know, the abrupt hill of Hermitage is planted up to the last square metre of the 125 ha *of authorised vineyard.* Walking up the twisting road, one will be surprised by its parcelled nature and the great variations in soil. This is basically granitic but includes plots full of clay and sand.

One of the most distinguished growers is Gerard Chave, whose family have owned vineyards in Hermitage since the end of the 15th century. For most growers, 1984 was not a *very special vintage,* but he showed me samples of five wines made from different parts of this unique vineyard. Each was markedly different, reflecting varying soil and situations. All had the rich, intensely fruity flavour of fine Hermitage, and I believed M. Chave, a modest man, when he said: "1984 is a very good vintage." He also makes an exceptional white Hermitage. One or two English merchants list his wines, notably Yapp of Mere, Wiltshire.

Unfortunuately, like all the finer red Rhônes, Hermitage is *nearly always drunk too* young, when big, bold and mouthfilling, but lacking the roundness and complexity that age brings. The average production of fewer than 50,00 cases soon disappears. There is at least eight times as much Crozes-*Hermitages, grown on undulat*ing land to the south of Hermitage. The area has doubled in the last 15 years and the quality can vary from the rather dull but acceptable to the full-flavoured and distinctive. It is not a wine to buy *by price alone. I sampled an* excellent '83 made by the Tain co-operative, which produces 80 per cent of Crozes, but the best I have come upon is Jaboulet's Thalabert from a designated vineyard.

Even smaller than the Hermi*tage vineyard is the upstream* Côte-Rotie, about 20 miles south of Lyons. It comprises 100 ha, *and up to a dozen or so years* ago, it was only two-thirds that size. Since then, it has acquired permission to extend the planting from the steep river-valley hillsides—the two Côtes Brune and Blonde—to the plateau above. Here the soil is much lighter, and the wines of lesser quality.

The best wines come from the clay soil of Côte Brune and the more limestone-based Côte Blonde. The leading Tain merchants either have vineyards there, like Chapoutier, or regular suppliers, as Jaboulet, but there are also some growers who make and market their own wine. They include Jasmin and *Guigal, who recently bought* the leading firm of Ampuis, Vidal-Fleury.

Edmund Penning-Rowsell warns that the crop of the best vintages will be small.

On my recent trip, I visited Marcel Guigal, and his father Etienne, who was formerly the Vidal-Fleury cellar manager.

Among a number of wines tasted *in the small vaulted* cellar in Ampuis, I was able to sample three 1981 Côtes-Rôties —the traditional blend of both the Côtes, and then single wines from each. The blend had very good colour, strong but not harsh in flavour and velvety, yet plainly not ready.

The Brune, sold under the name of La Landonne, was *much bigger and stronger than* the Blonde, called La Mouline. The latter was softer and suaver, and already more drinkable, with a specially lovely, flowery, fruity bouquet, but obviously a wine to develop. At a blind tasting in Paris, M Guigal *told me,* his had been voted the best French wine of the year. A bold claim but both are on *Justerini &* Brooks' current list at £17 a bottle and on Adnams of Southwold at £15.07. They also have the 1980 and the 1979.

There are two other northern reds, *lesser,* cheaper but, at their best, by no means undistinguished. These are St Joseph and Cornas. *Although their* authorised minimum strengths are low, they have the full flavour of all good red wines produced in that hot valley and are usually quite powerful. Their vineyards lie more or less in a long narrow strip on the right *bank of the river* below the severe heights of the Massif Central. St Joseph begins *in the north, not far* south of the Côte Rôtie, and Cornas ends in the south, nearly opposite Vallence. St Joseph, which was given the *appelation controlec* less than 30 years ago is much the larger, with 225 ha, while Cornas has only 60 ha.

Both have a very deep colour. When young, their flavour, particularly that of Cornas, can be coarse. John Livingstone-Learmouth, in his excellent The Wines of the Rhône (Faber, 1983, £5.25) suggests that, while Cornas needs at least six to *eight years to* mature, St Joseph may be drunk between two and eight years, though good vintages of *both will last longer.* I am inclined to think that both need a minimum of five years and will be much *better at 10.* Excellent wines of both were made in 1983. Both sell in the £5 to £7 bracket.

Despite the emphasis on red wines *in the northern Rhône,* there is one exceptional white —Condrieu, which is made from the Viognier grape that flourishes nowhere else outside this stretch, south of Vienna and the Côte Rôtie. It is being experimented on in the *southern area. It is grown on* the hillsides of the right bank, a little south of Côte Rôtie and ends in Ch. *Grillet, the 2.5 ha* estate with its own *appelation.*

The best vintage now is 198[illegible] and Adnams of Southwold and Malmaison Wine Cellars, Midland Road, NW1 sell the *Guigal* for £12.41 and £12.20 respectively, and Les Amis du Vin, Ariel Way, W12 list the Vernay at £10.40, while the rare Ch. Grillet is *£23 from Yapps.*

Compared with Burgundy, the Rhône has a relatively more stable climate and, therefore, a better vintage record. The best years in the northern district are 1970, '71, 73, '76, 78, '79, '82 and '83. Of these the top years were 1978 and '83, but it would notbe surprising if '85 were added to these, with perhaps *a smaller-than-average* production.

BRIDGE

THE RUFFING element in suit contracts is a source of endless fascination. So complex is the structure of a bridge deal that established principles must occasionally be disregarded.

My first hand is, I think, most instructive:

```
              N
           ♠ K 10 4
           ♥ A Q 7 3
           ♦ A 10 6 4
           ♣ K 10
   W                      E
♠ A Q 3               ♠ 9
♥ 10 6 5              ♥ K J 9 2
♦ 5                   ♦ K Q J 8 2
♣ Q J 8 6 4 3         ♣ 9 7 2
              S
           ♠ J 8 7 6 5 2
           ♥ 8 4
           ♦ 9 7 3
           ♣ A 5
```

With North-South game and 30, South dealt, and after two passes North bid one no trump. I was South, and in view of the part-score I tried for the rubber by bidding three spades.

West led his diamond singleton, dummy played low, East won with the Knave and returned the King. After some thought West discarded his heart five, whereupon East said, "We do not ruff losers." It is, of course, in principle wrong to ruff a loser, but this was an exception.

The refusal to ruff gave me a chance to get home by what seems like playing into the enemy's hands. Taking with dummy's Ace, I returned the six. *East took with the Queen,* and led yet another diamond for West to ruff. But this allowed me to discard a heart loser, and so limited my losers to two diamonds, a ruff, and the Ace of trumps.

West's refusal to ruff was basically an error of timing, and a second error of timing by East—a lady champion—gave away the contract. She should have played low on the *third diamond,* allowing West to ruff before the ten was established.

West does not know that I do not hold the heart King: *but he does know that if I hold* that card, plus the club Ace, there is no defence. If I win *his heart switch with the King* and lead a trump, he takes with his Ace and plays a club to his partner's (presumed) Ace.

The next hand occurred in the European championships:

```
              N
           ♠ 6 3
           ♥ A 10 8 6
           ♦ A K
           ♣ A Q 10 9 6
   W                      E
♠ A K 10 5            ♠ Q J 9
♥ Q 9                 ♥ 7 5 4
♦ 8 7 6               ♦ Q J 10 4 3 2
♣ 8 7 4 2             ♣ 5
              S
           ♠ 8 7 4 2
           ♥ K J 3 2
           ♦ 9 5
           ♣ K J 3
```

With East-West game, West *dealt, and North* opened the bidding with one club. When South replied with one heart, *North rebid three* diamonds, South said three no trumps, and North's four hearts concluded the auction.

In one room West cashed two top spades and switched to a diamond, without giving a thought to an attack on dummy's trumps. The British South won with dummy's King, cashed the heart Ace, and ran *the ten.* This lost to West's Queen, but the declarer had ten tricks.

In the other *room on* West's spade King East dropped the Queen. West followed obediently with a low spade to his partner's Knave, and East led a third spade to force dummy. Dummy ruffed, and the Italian declarer adopted the same *line as the British* South, cashing the heart Ace and running the ten. West took, and led his spade Ace. *This* was ruffed on the table, but East was able to discard his club. Then, when South attempted to return to hand via the club King, East ruffed for one down.

The declarer should have played his heart King instead of *finessing—Homer nodded.*

E. P. C. Cotter

CHESS

CHALLENGER Gary Kasparov's victory in game 16 at Moscow was, by general assent, *among the best attacks ever* played in a world title match. But Anatoly Karpov, who lost with the white pieces and dropped one behind in the series, can blame his inflated team of grandmaster assistants who studied Kasparov's gambit following its debut in game 12.

It seems that Karpov aides thought that Kasparov intended *only to regain* his material, leaving positional holes in the black game. When the *challenger disdained the pawn* in favour of long-term pressure, Karpov went into a 35-minute *huddle. Play followed* Kasparov's home analysis till move 19, and the champion never escaped the grip from Black's Q6 knight. His defences collapsed, queen and rooks stormed through for mate and an ovation from the Chaikovsky Hall audience.

WHITE: A. Karpov. BLACK: G. Kasparov. Sicilian Defence (16th game).

1 P-K4, P-QB4, 2 N-KB3, P-K3; 3 P-Q4, PxP; 4 NxP, N-QB3; 5 N-N5, P-Q3; 6 P-QB4, N-B3; 7 N(1)-B3, P-QR3; 8 N-R3, P-Q4.

In their aborted 1984-5 match, Kasparov played 8...B-K2 and soon had a lost position, going for an inferior endgame in an attempt to escape the spidery strategic grip which is Karpov's *trademark.*

9 BPxP, PxP; 10 PxP, N-QN5; 11 B-K2. Game 12 went 11 B-QB4, B-N5; 12 B-K2 with a quick draw.

11...B-QB4; 12 O-O, O-O; 13 B-B3, B-B4; 14 B-N5, R-K1; 15 Q-Q2, P-N4; 16 QR-Q1, N-Q6.

This dominant knight stops either white rook gaining open file activity.

17 N(R3)-N1, P-R3; 18 B-R4, P-N5; 19 N-R4.

Karpov had a long think here, the conclusion of the rival analysis. 19 NK2, planning N-QB1, was more logical, though 19 R-QB1; 20 N-B1, N-K4; 21 N-K2, NxB ch keeps *good compensation. As played,* White's knights become stranded and his queen is also deprived of squares.

19...B-Q3; 20 B-N3, R-QB1; 21 P-N3, P-N4; 22 BxB, QxB; 23 P-N3, N-Q2; 24 B-N2, Q-KB3; 25 P-QR3, P-QR4; 26 PxP, PxP; 27 Q-R2, B-N3; 28 P-Q6, P-N5; 29 Q-Q2, K-N2; 30 P-B3.

This opens the position and *hastens White's defeat.* The one chance is 30 B-N7, keeping the bishop outside the pawn chain. If Black continues P-KR4-5-6 and N-K4-B6 ch, White can then play K-R1.

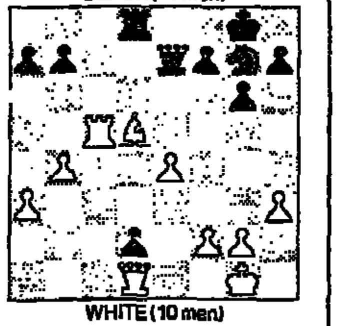
30...QxQP; 31 PxP, Q-Q5 ch; 32 K-R1, N-B3; 33 R-B4, N-K5; 34 QxN.

A last try, giving up the queen for three pieces.

34...N-B7 ch; 35 RxN, PxQ; 36 R(2)-Q2, Q-K6; 37 RxB, R-B8! 38 N-N2 (if 38 RxQ, RxR ch; 39 B-B1, RxB), Q-B7! 39 N-Q2 *(if* 39 RxR, R-K8 ch), RxR ch; 40 NxR, R-K8 ch; 41 Resigns.

Problem No. 591

BLACK (10 men)



WHITE (10 men)

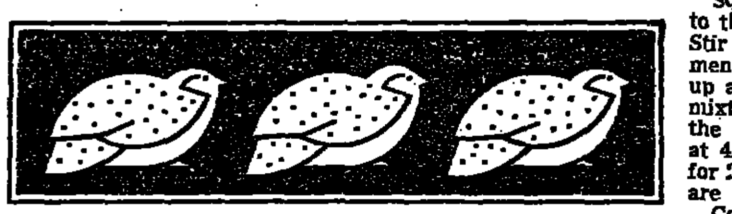
J. Schroer (U.S.) v. E. Torre (Philippines), New York 1985. Material is level, and Black (to play) looks in trouble since White's pieces are about to round up his passed pawn. But it took Black just one move to demonstrate a winning advantage; what did he play?

Solution Page XV

Leonard Barden

Cookery

Tasty quail will cause a stir



FRESHLY boiled quail eggs taste good, look ravishingly pretty in their brown and cream-splattered shells, and *served simply in this way they* involve the cook in blissfully little effort — a trio of virtues that has clinched their success as dinner party food.

Where eggs led the way, now the birds are following: the quail as meat is this season's choice for easy and elegant entertaining.

Outside London, you are more likely to find quail frozen than fresh; and, although I am fundamentally prejudiced against frozen meats, I confess I find quail emerge from the icy ordeal tender and well flavoured. Many delicatessens and other shops that stock quail's eggs now sell the little birds, too. Frozen quail cost about £1 each and generally come in packs of *four or six.*

Simple cooking seems to suit quail best; they are quick to cook and can be kept hot for 20-30 minutes without drying out or otherwise spoiling (perhaps longer, I haven't tried). These things endear quail to the hostess and make them seem cheap at the price.

Quail are tiny, of course, and care must be taken to prevent them looking pathetic and waiflike on the plate. Trussing is the traditional cosmetic way to give a bird a plumper and neater appearance. Quail are too fiddly for trussing, but much the same effect can be achieved by treating quail in the following way.

Lay the quail on its back and press down lightly on the breast bone to flatten it slightly. *Then, make a slit through the* tail end of the breast, cross the bird's legs, and tuck the ends *of them through the slit.*

The other trick is to fatten up quail — literally — with a stuffing. Don't put the stuffing into the body cavity, but spread it generously between flesh and skin all over the breast to give the bird a well-rounded look.

I have used one or other or both of these treatments in each of the recipes which follows.

(Finger bowls are always needed: no one can get the flesh off a quail's leg with knife and fork).

QUAIL WITH GRAPES
(serves 8)

8 quail; 2 oz unsalted butter; 1 lb large white grapes; salt, pepper and ground allspice.

Exceptionally good and exceptionally easy. Use muscatel *grapes, such as Italia, if pos*sible. I have made the dish using them, with and without their skins. The difference in taste was negligible, the difference in workload considerable, so I recommend halv*ing and pipping the grapes* but not bothering to peel them.

Sprinkle the quail inside and *out with a little allspice and a* good grinding of pepper. Make each bird into a plump, neat shape by tucking *its legs into* the breast, as described previously.

Melt the butter in a *gratin* or baking dish large enough to take the quail *side by side.* Add the quail and turn them to coat them all over with butter. Cook, *breast down,* for 15 minutes in an oven heated to 524 F (220 C), gas mark 7.

Turn the birds breast side up and baste them with the buttery juices. Pile the grapes round *them and season quail and fruit* with a good sprinkling of salt and pepper. Slide the dish back *into the oven and cook for about* 10 minutes until the birds are perfectly tender and the grapes are heated through and slightly softened.

Cover and keep warm at a low temperature until ready to serve. Plain, peppery, crisp watercress and a dish of grain, such as burghul or cracked wheat, go well with this dish.

QUAIL ON CUSHIONS
(serves 8)

8 quail; ½ lb mushrooms; ½ lb chicken livers; brandy; butter; garlic; 8 slices white bread.

Chop the mushrooms and half the chicken livers very finely indeed. Saute the mushrooms for 2-3 minutes to drive off some of their juices, add the chicken livers, and continue frying a little longer. Season the *mixture with salt, pepper and a* little garlic and let it become cold before crushing it to use for stuffing the quail.

Cut the remaining chicken livers into big pieces. Saute them until crusty and brown on the outside but still tender and pink within. Flame them with a tablespoon or so of brandy, *then crush them to a* paste with the buttery pan juices, and season well. Reserve *the pate-type mixture to spread* on the toasts (or cushions) on which the quail will be served.

Flatten the quail breasts. Insert your fingers under the neck skin and loosen the skin from the flesh *all* over the breast to make a pocket for the stuffing. Push in the stuffing, gently and neatly. Then make a slit, and cross and tuck in the quail's legs as described previously.

Toast the bread, cut into rounds just large enough to take the quail, and spread with the chicken liver mixture. Lay the toasts in a shallow, lightly greased baking dish and sit a bird on each one. Brush the skins of the quail with a little *olive oil and sprinkle with* seasonings.

Cook at 400 F (200 C) gas *mark 6 for 30 minutes or so* until the birds are cooked through and tender. Cover and keep warm *until ready to serve.*

An orange salad scattered with a few toasted and lightly crushed coriander and cumin seeds, a handful of black olives and a few wafery slivers of onion, goes very well with this dish.

JUNIPER QUAIL WITH ALMOND SAUCE
(serves 6)

6 quail; 1 doz juniper berries; 1 large or 2 small oranges; 6 tablespoons gin; 1½ oz unsalted butter; 10 oz brown rice; 4 oz split and well toasted almonds.

Several hours before cooking, crush the juniper and put some into the body cavity of each bird. Add a good grinding of pepper and the finely grated *zest of the orange. Make each* bird into a plump, neat shape by tucking its legs into the *breast, as described before,* cover loosely and leave in a cool place.

To cook, first melt the butter in a hot frying pan and colour the quail. Transfer the birds to a gratin dish, arranging them, breast down, side by side. Season well.

Squeeze the orange juice into the frying pan. Add the gin. Stir and scrape up meaty sediment and let the liquids bubble up and reduce a bit. When the mixture is syrupy, pour it over the quail and cook in the oven at 425 F (220 C), gas mark 7, for 20-25 minutes until the birds are tender.

Cover the *dish and keep* warm at a low temperature until ready to serve. Serve accom*panied by the brown rice,* boiled simply, well seasoned and tossed with toasted almonds.

TANGLEFOOT QUAIL
(serves 4)

4 quail; 3 oz low fat soft fresh cheese such as Shape; 2 large Cox's apples; ¼ pint dry cider; butter; rosemary and garlic.

Season the cheese with plenty of salt and pepper and a pinch of rosemary — plus a tiny whiff of garlic if you wish. Flatten the quail breasts. Lift the flap of neck and gently ease the skin away from the flesh all over the breast, then slip a little of the cheese mixture into the breast pocket. Make a slit, *cross and tuck in the bird's* legs as described before. Sit the birds side by side in a *lightly buttered gratin dish* and sprinkle salt and pepper over them.

Peel, core and slice the apples thickly. Fry them fairly gently and briefly in a little butter, just long enough to soften them very slightly. Arrange the *apples between and around* the quail.

Add a little more butter to the frying pan. When it has melted add a sprig or two of rosemary, half a cut clove of garlic and the cider. Stir and let the mixture bubble up and reduce a little *before pouring* the contents of the pan over the quail. Cover the dish and cook at 400 F (200 C), gas mark 6, for 25-30 minutes until the quail are cooked through and tender.

Garnish with bunches of watercress *just before serving,* and accompany with saute potatoes.

Philippa Davenport

Radical rags and City chic tell a tale

Looking the part

Lucia van der Post

HOW TO SPEND IT

Above: Illustrating perfectly the new country look for City suits. Brown herringbone tweed wool suits, sizes 36in to 44in, £125 from Cue Shops at Austin Reed

Left: Coats, too, look newer in textured tweed rather than smooth, plain cloths. This roomy, brown herringbone coat in 100 per cent wool is £85 from selected Marks & Spencer stores

DRESSING up or dressing down, you cannot avoid the fact, however much you may dislike it. that you are sending out a message. In today's complicated society that message is infinitely subtle, finely nuanced and full of traps for those insufficiently attuned. The message may be false, may even be deliberately obscured, but it is always there.

In primitive society, it was much simpler. No Masai warrior ever had to worry about what to wear—each of life's great rites of passage was accompanied by clear, inherited codes governing dress, jewellery, accoutrements and behaviour. The language was clear and universally understood.

In the days of empire self-confidence our codes, though infinitely subtle, were readily accepted by every Englishman whether coalminer, bank clerk or gentleman of independent means. For every social activity an accepted code of dress was laid down.

Today it is rather harder for a chap to decide on his image. He can play it up or he can play it down. In some walks of life dressing down is the statement he has to make. In radical circles, for instance, where you must look, above all, earnest, compassionate and caring you cannot risk too sleek or upmarket a suit. Above all you must not look as if you have tried. Slightly ill-fitting tweeds, corduroys, and textured ties would give the right other-wordly image.

In what are usually referred to as "creative circles" you need not worry about price. Style is all. It is quite all right to spend a mini-fortune provided it does not show. A heathery sweater from Missoni or a silk-soft leather jacket from Montana, a nonchalant suit from Armani, and you will easily pass the camouflage test.

In large corporations the Preppy look is the thing to aim for. Just watch the Ralph Lauren advertisements, cut them out, get a look-alike haircut and buy the nearest equivalent to the clothes that you can afford. Plain grey flannel suits, soft pure cotton shirts, Shetland sweaters, Harris tweeds, and regimental ties, are the mainstay of this look. If it takes a modest fortune to set you up take comfort from the fact that Preppy clothes are built to last. As the Preppy handbook puts it: "Preppies wear clothes for 25 years and no one can tell the difference."

In City circles it is all much more brutal. Power and status are the name of the game and nobody in the City suit business pretends otherwise. As Hardy Amies once told me: "A suit, to do it's job properly, which is, in effect to establish status, should be extrtmely plain. It should never look as it was designed, but as if if it just happened."

This fits in with most Englishmen's natural instincts, which are to look sober, entirely at home in his habitat and, above all, not to look too fashionable. The chief variable is the cost and as a general rule of thumb the message is a crude one—the more expensive, the higher the status, the greater the power.

Only the truly powerful or the totally indifferent can afford to dress down. Terence Conran's crumpled suits are fine for somebody with an empire behind him but much riskier for somebody with an empire ahead. The American copy-line "The right suit might not get you there any faster but the wrong suit could certainly slow you down" sums it up admirably.

So what does an ambitious City chap who wants to ride, not buck the system look for this autumn? Supposing he cannot afford a made-to-measure suit, the good news is that off-the-peg is getting better and better. As fewer and fewer City men are willing to pay the high sums a made-to-measure suit now costs (£700 and upwards is the price being bandied around Savile Row these days) off-the-peg is quickly moving up-market, with beter styling, better quality fabrics and more flexible sizings.

From Jaeger to Austin Reed, from Chester Barrie to Gieves & Hawks (which claims the distinction of selling the most expensive ready-to-wear suit in town at £795) the message is—the country look has come to town.

Whereas City suits were once all pin-stripes or plain grey flannel this autumn there is an unmistakable whiff of horse and pasture, moor and pheasant about the city suits. Fabrics have acquired a tweedy look—neither heavy nor rough-textured like the true country tweed, none the less the look is there, achieved through subtle colours which convey the woven feel. Given that Mrs City Gent, if she wishes to be considered for the fashion stakes this autmn, will be attired in jodphurs and riding stocks, this will at least make them as if they are a pair.

Men's clothing changes very little from year to year and usually the changes are subtle, simple and consist of little shifts of emphasis. Happily for the pocket, most of them can easily be incorporated into existing wardrobes without looking out of place. Suits this year are cut with slightly wider lapels, they may be single or double breasted but the good news is that they are, above all, much easier, looser, more comfortable to wear than ever before. Trousers are cut fuller, often with pleats at the waist.

Hardy Amies once decreed that a straight-cut jacket should never have a vent (the vents being there to show off the flare) this winter the suit-makers have heeded his dictats—many a suit is sporting a straight, box-like jacket and no vent.

If all this sounds dreadfully sober it is apparently quite all right to show a little flamboyance about the shirt and tie. Experiment with the check and paisley shirts flooding into the shops if you are of a bold turn of mind. For the traditionally minded, fine stripes are still OK and double-cuffs are more and more in evidence. Ties are still formal and classic in shape, neither wide nor string-like but fabrics are brightly-coloured.

If this subtlety sounds too complicated for you there is always a simple way out. I leave you with the words of the meastro of the suit once again, Hardy Amies. "If in doubt," he once told me, "choose a dark grey flannel and a plain white shirt and you can not go far wrong." As for the tie — that you will have to decide for yourself.

A cut above the rest

IF YOU hanker after the old-fashioned delights of the true hand-made suit but cannot face Savile Row prices, then Henry Rose could be the tailor for you. In his time he has worked for some of the best-known tailors in the West End (including Kilgour, French and Stanbury where he did his apprenticeship) but he recently started his own tailoring business where he concentrates on low overheads and top-quality service.

He comes with a string of satisfied customers, all of them waxing lyrical to me about the marvel of finding high-quality tailoring without painfully steep prices. All of them maintain that if you go to Henry Rose you get the quality of a Savile Row suit at something like a third of the average price charged for a hand-made suit. In other words you pay ready-made prices, you get hand-made quality.

Mr Rose does not go in for fine premises, obsequious attendants and panelled fitting-rooms. His shop at 8, Kingsly Street, London, W.1, is small and clean. Anybody visiting him there will get his full personal attention and for a price varying between £250 and £300 a top-quality, hand-made suit.

Phone for an appointment on 01-734 2687.

Suited to the office

IF YOU are a likely lad in the City and ambitious to do well, but not yet earning what you think you deserve and short of long lunch-hours in which to mull over subtleties of fabric, lapels and vents, then Manley Laird could be the men's outfitter for you.

Why? Because Manley Laird will come to you—at your office desk. A chap in need of a suit need only pick up a telephone and a representative will come at an agreed time and place with a fistful of clothes and a swatch of fabrics.

By trying on combinations of jackets and trousers, the correct size is determined; then it just remains to choose the fabric. If the exact size is not available, notes are taken of adjustments needed; when the suit is delivered the following week it should fit. If not, further alterations are made until it does.

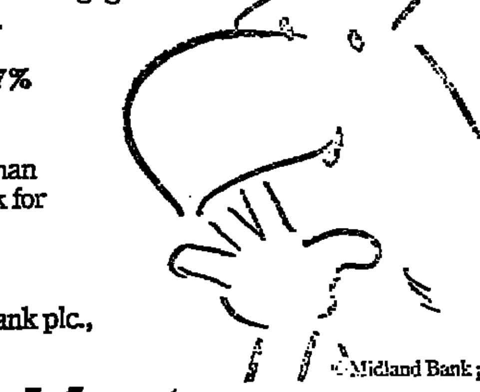
The suits are all off-the-peg and good, solid, middle-of-the-road brand names—Mr Harry, Baumler of Austria and Pierre Cardin (the most up-market of the three). Prices range from £110 to £180, which is astonishingly reasonable by any standards (largely because there is no prestige shop front to be maintained: Manley Laird operates from one of its partner's homes).

Suits can be single or double-breasted and the choice of fabrics is wide, though generally conservative—just what the City usually likes.

Telephone for an appointment: 01-870 2409. For the moment the service operates only in the London area.

Above: Another handsome double-breasted version of the country look come to town. This time in grey herringbone wool, £159 from all branches of Jaeger

Right: Probably the top name in men's ready-to-wear, Chester Barrie. All the suits are hand-tailored and here is a traditional dark business suit in pure wool, £405



• PROPERTY •

Loved for their homes alone

IN TODAY'S fiercely competitive central London market, anyone with a house or flat, whether for sale or not, is being wooed assiduously by estate agents. Courting comes in various guises. The long-established "Dear owner" circular is popular.

"We have had numerous enquiries from various purchasers from this country and overseas, who are seeking to purchase a property in prime residential locations such as yours," wrote Elliott and Son and Boyton of Wimpole Street, to lessees in a block of flats off Portland Place, W1. They send out some 500 letters each week.

The writer stresses that this is a serious enquiry. And "should your property be on the market through another firm of surveyors we would be obliged if you could put us in touch with them."

The Royal Institution of Chartered Surveyors regulates the wording of canvassing letters. "Any letter seeking instructions for sale or letting must include a statement (in type no smaller than that used for the rest of the text), that if a sole agent has already been appointed to dispose of the property, instructions can only be accepted by the writer as sub-agent to that agent and not directly from the vendor."

A *property owner in Queen's* Gate Mews, SW2, had a letter from Duncan Harding of Anscombe and Ringland in Notting Hill Gate saying that he understood the place was for sale. They had *several* cash buyers. Could he call without obligation and show how they provided "a more comprehensive service than our competitors?" Lurot Brand in Knightsbridge are not too keen on this aggressive method: "We are all in a competitive business and we all look for extra instructions, but it would be a pity if this sort of approach were to become the norm."

Harding maintains that it is perfectly legitimate, and that the public benefits from competition. "Estate agency is a service *industry*, and *people* need whatever advice is available to realise the potential of what is probably their major asset," he said.

Hand delivered circulars are another insidious but successful device. Chestertons, chartered surveyors, which is based at 40 Connaught Street, W2, distributed 100,000 leaflets in the *spring to homeowners* in Bloomsbury, Belgravia, Marylebone, Maida Vale, Marble Arch, *Chelsea, Notting Hill* and *Hyde* Park. These offered a free verbal valuation.

The most useful section is the price guide. For instance, in St John's Wood and Hampstead where Peter Joy, Chestertons' Maida Vale office, reports a shortage of good quality property, studio apartments are £45,000 upwards, commanding nearly £100 a week rent. Four bedroom houses valued at £220,000 are rented at between £300 and £450 a week. Lettings manager, Shirley Dent, says that demand is high for three- to five-bedroom accommodation. "But the absolute essentials are good equipment in kitchen and bathrooms, and sufficient built-in cupboards for families with lots of clothes."

Peter Gibbs of Chestertons' Notting Hill Gate office, says that Holland Park North offers excellent value. "It is rapidly becoming popular with Europeans and Americans as they discover the attractions of its space, quiet and convenience."

Chesterton's next circular—on Monday—reveals that prices have risen considerably over the past six months. Kensington and Knightsbridge are up 17½ per cent, Mayfair, Belgravia and St James's 19.8 per cent. West One, north of Oxford Street, Hyde Park and Marble Arch have risen by only 7.3 per cent. *If you want a copy, contact* David Thorley on 01-262 5060.

FOLKARD AND HAYWARD, which has offices in W1, NW8 and Clapham and Streatham, have launched a "Painless Move" promotion for buyers and sellers. The firm will organise, free:

- Transfer of services such as electricity, gas and telephone.
- Cleaning the property in between occupiers.
- 50 change-of-address cards.
- Forwarding of mail for three months.
- *List of National Health Ser*vice doctors, dentists and schools.
- Find people to alter your curtains, fit your carpets, instal a burglar alarm, and mow the lawn.
- Arrange a child and pet-minder on moving day, and order milk, newspapers and emergency provisions.

Paul Raymond, Folkard and Hayward, 59 Acacia Road, NW8, will send a leaflet.

*

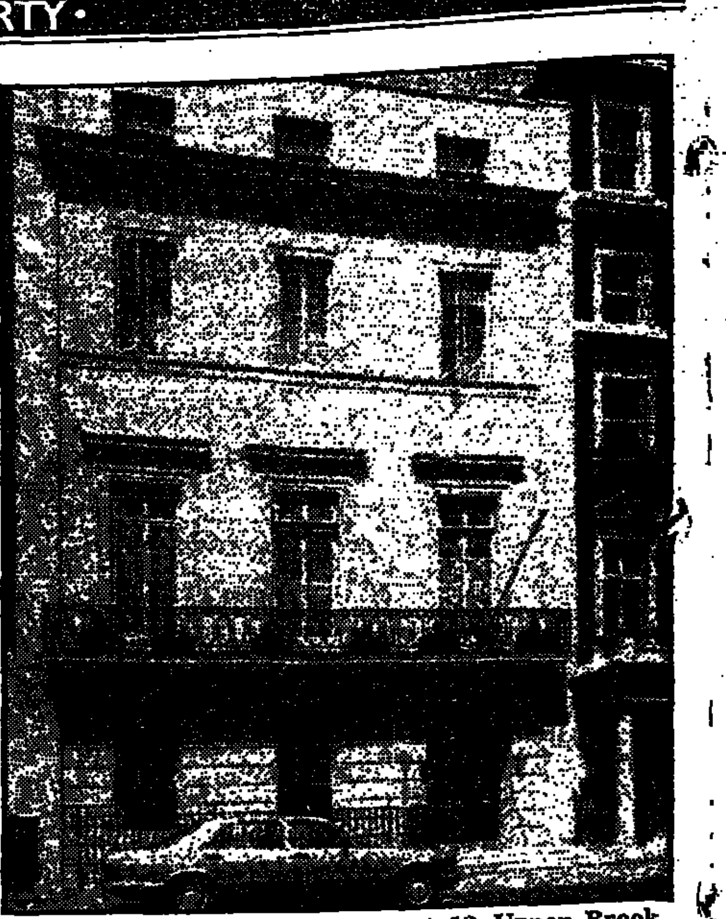
ROY BROOKS, the estate agent who, in the 1960s, wrote witty, down-to-earth descriptions of properties for sale, has had his often outrageous comments recorded in a book. Called A Brothel in Pimlico, it can be obtained from Anthony Halstead at Brooks' Chelsea office, 359 Kings Road, SW3, for £1.95 plus 30p postage.

"Do not be misled by the trim exterior of this modest Period Res," Brooks wrote of a house in Lamont Road, SW. "All is not well with the inside. The decor is revolting, the kitchen pathetic and rain sadly drips through the ceiling. The pock-marked basement floor indicates a thriving community of woodworm." People queued up to buy it at £6,750 for a 40-year lease. Property in those days was scarcer, and prices lower.

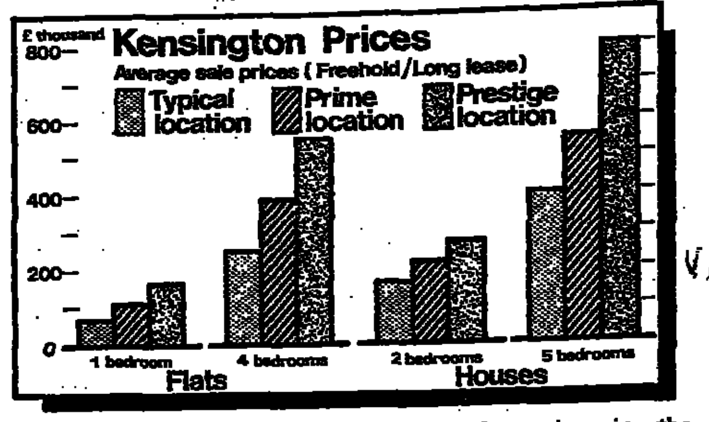
In 1965, an £8,500 house in Limerston Street, SW10 (early Vic tenement, 2 lousy kits and 3 sinks), was tipped to be worth double after renovation. A rehabilitated version in the same sreet on the Brooks' books *now, is* £285,000.

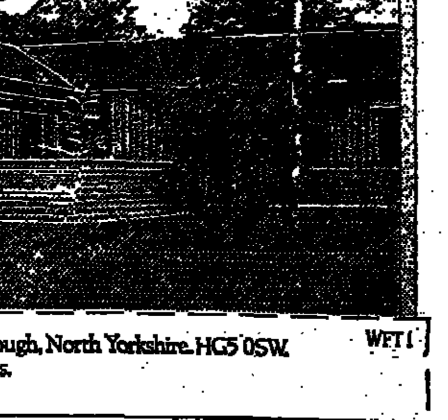
Roy Brooks was realistic, rather than denigrating. A professor's house had "a red-tiled floor for muddy, blood-stained *hunting* boots." The place was "not posh by stock-broker standards," but had a garden of jasmine, glorious roses and ripening apples. Esher was bucolic, New Malden genteel, and Bromley beneficent. "We could never copy his style," admits Mr Halstead, Brooks' partner. The firm's property descriptions now are sober and conventional. A great pity. One does get so bored with the outworn jargon of "elevations," "en-suites," and "enjoying the benefits of."

June Field



This 30-room Georgian house at 12 Upper Brook Street W1 costs £2.75m for a 65-year lease. More details from Knight, Frank & Rutley at 01-629 8171





• TRAVEL • MOTORING •

Arthur Sandles on Hallowe'en and its origins

Back to the old haunts

Almost every British town and village will have some form of Hallowe'en/Fawkes celebration

IT REALLY is quite alarming, the speed with which Hallowe'en has re-crossed the Atlantic in recent years. This season of ghoulies and ghosties departed British shores with the main emigration westwards in the 18th and 19th centuries. England was left with the bonfires and crackle of Guido Fawkes Day, into which the mystic rites of late autumn were merged. Now Hallowe'en has come back to haunt us in Britain, with some American additions.

My local supermarket, for example, sells pumpkins for Hallowe'en celebrations. Ridiculous, of course. The pumpkin is not a natural UK fruit. The original Jack O'Lantern, which traditionally burned brightest in Scotland, were made of turnips, as mine will be this year. Apart from being considerably cheaper than pumpkin, a large turnip is much sturdier than a small pumpkin and gives off a much more satisfactory odour.

The origins of another U.S. re-import, "tricking and treating," are mysterious, but probably more European than British. In mid-nineteenth century America, the habit of seeking reward in return for not playing pranks took on alarming proportions. Considerable physical damage to property was not unusual, and had to be dealt with firmly by local law enforcers. Today, its practitioners tend to be younger and, thanks to the sickly state of our society, usually confine their attentions to family, friends and neighbours.

Hallowe'en, the eve of All Hallows, All Souls or All Saints day, or the day itself, is still a public holiday in many countries. The celebrations themselves are probably as old as man. The shortening of the days, the cooling of the nights, the gathering of the final harvest —all provided an ominous background which demand an acknowledgement of evil forces mingled with a "see if we care" celebration.

The church adopted these pagan festivals, as it adopted so many others, the mid-winter feast of Christmas and the spring celebrations of Easter among them. In some countries, the move has gone one stage further. In the Soviet Union there has always been lost weekend in the first week of November. Now it is officially in celebration of the Revolution.

It was the Celts and Saxons who pioneered the bonfire in Britain. Using, in their practical way, the detritus of summer farming to make fires and consuming just a little of the harvest, they thumbed their noses at the spirits of the darkness before settling down to the rigours of the winter. The feasting remains — with the Oktoberfest in Munich and the drinking of new wine in Vienna.

In the Latin countries, the Christian adoption of the festival has been much more complete, but retains mystic pagan undertones. Throughout the Andes, for example, where ancient Indian beliefs were deeply ingrained, the locals seized upon Hallowe'en as a chance to pay tribute to the dead.

Before the arrival of the Spanish, the Indians buried their dead with food for their heavenly journey. Today it is common to see pieces of bread placed on graves around All Souls Day and cemeteries are lit by hundreds of candles so that the travellers can see. In Bolivia, tiny boats are made to float the souls across watery obstacles. In Mexico, sweets in the form of skulls are a popular temptation, skeletal models abound and solemn, usually candlelit, church and cemetery festivals are followed by massive meals at local eating houses.

All Saints Day and the following Day of the Dead are both widely celebrated in Europe, particularly in Italy and Spain. It is a time of considerable activity and colour in churchyards and some superb music in churches.

Almost every village and town in Britain has some form of Hallowe'en/Fawkes celebration this year. Tonight the Mid-Hants Railway Watercress Line is holding its fireworks and fancy dress party, at Alresford in Hampshire. On November 1 there is the Big Night Out at Melford Hall, Long Melford Suffolk.

The most popular night, is next Saturday. There are fireworks and bonfires at various places including Roundwood Park, Willesdon; Nostell Priory, Nostell in West Yorkshire; Embsay Station, near Skipton Yorks (an event which also promises "steam trains in the dark"); Dram's Harbour, Clifton near Winchester, Hampshire; Beaulieu, Hampshire; Calder Hoolmes Park, Hebden Bridge, West Yorkshire; Hullen Edge, Elland, West Yorkshire; Christchurch Park, Ipswich, Suffolk; and Blackpool Pleasure Beach.

On November 5, there are celebrations at Kendall, Cumbria, Derby, Luton, Colchester and Lewes among others. In Birmingham, Hallowe'en and Bonfire night are a big event and the local press should have details of activities in and around the city throughout the week.

My own money goes to the Hallowe'en celebrations at Leeds Castle in Kent, promising a "bewitching evening" with prizes for the most original witch costume. The £10.95 (children £7.00) entrance fees includes a full meal, starting with mulled wine and ending with toffee apples, entertainment and "traditional Hallowe'en games throughout the evening."

The genuine traditional games of this time of the year tended to be occasionally violent and frequently bawdy. I suspect Leeds Castle has something gentler in mind.

BRIEFS

THE FRENCH purpose-built ski resort of Flaine has spent much of the summer replacing its old cable car, which could carry 550 passengers an hour, with new gondola cabins that will increase the carrying capacity to 2,000 an hour. In a bid to make queues "almost non-existent," Flaine plans soon to increase the capacity of the main lift to 3,000 skiers an hour which, it is claimed, would make it the biggest in the world.

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MANY tour companies are now falling into line with the market leader, Thomson, and guaranteeing their prices for package tours next winter. Among the latest is American Airplan, which has decided on a complete no-surcharge guarantee on trips to the U.S. The offer is valid on holidays until March 31, 1986, and trips must be paid for, in full, by the end of October this year.

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GREYHOUND Australia has introduced two new bus passes available only for overseas purchasers. For next summer, day passes will be available in various multiples from seven to 60 days at prices from A$150-A$670. A series of Greyhound bus passes also will include accommodation vouchers: these range upwards from a seven day, five night pass at A$270.

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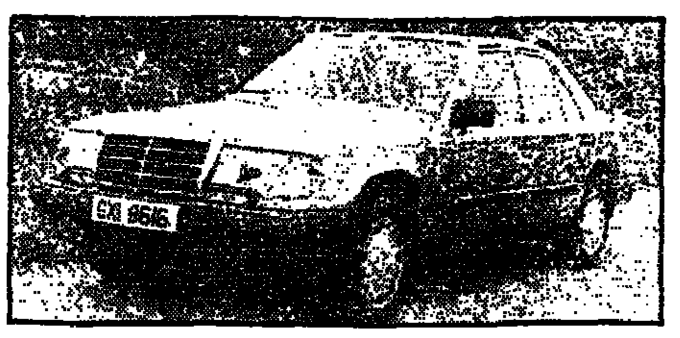
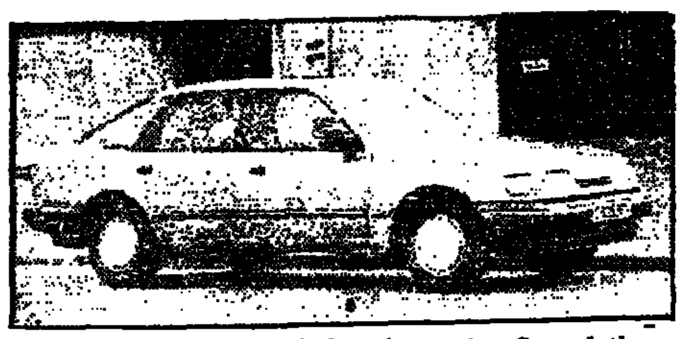
A NEW way of approaching holidaymaking in New Zealand has been produced by Hogg Robinson Travel, the agency chain. It has produced a Destination New Zealand brochure that promises "highly competitive air fares" and a wide range of inclusive arrangements (or, for the totally independent traveller, details of car hire, accommodation and internal transport). Free insurance is among various other goodies offered to anyone who books through Hogg Robinson.





Left: a Mercedes 230E, one of the company's new mid-size range that looks a likely winner for Car of the Year. Right: The Ford Scorpio—known in Britain as the Granada—that probably will be runner-up

In search of the wheel thing

WITH ALL the 1985 motor show safely out of the way in Europe, the industry is turning its mind to the "best car" contests and who is going to win.

Best known is Car of the Year, a pan-European award decided by an international jury of more that 50 motoring writers on a "first past the post" basis. The award generates great publicity and can shift an awful lot of cars from showrooms, providing the car itself is good. This is not always so. The title has gone to one or two duds in the past.

There are national awards, too. These are often of more direct interest to the car buyer because not all models are available in all markets. At least two of the Car of the Year entrants, the Subaru Jesty and Nissan Laurel with front-wheel drive, are not on sale here.

Our own "Top Car" award is run by the Guild of Motoring Writers, which invites all its members to take part in choosing a best car from among those sold in Britain. To judge by the entry, the Mercedes W124 seems likely to win with the Ford Granada second.

In Germany, Das Goldene Lenkrad (golden steering wheel) award celebrates its 10th anniversary this year. Sponsored by a mass-circulation Sunday paper, Bild am Sonntag, Das Goldene Lenkrad divides its entries into three cubic capacity classes.

These ranged from the Daihatsu Cuore (no, I do not know what it means, either) to the Toyota Starlet Turbo in the under 1,500 cc class; Toyota MR2 to Ford Scorpio in the 1501 to 200 cc class; and the Peugeot 205 Turbo 16 four-wheel-drive rally car replica to the formidable Ferrari Testarossa in the over 2-litre section.

Why my interest in Das Goldene Lenkrad? Because this year, for the first time, I was asked to join the 27-strong judging team, drawn from the ranks of racing and rally drivers and other sporting personalities together with a leavening of journalists. For the best part of two days earlier this month I had to evaluate 16 different cars over the same 32 kilometre course around Friedrichsruhe, north of Stuttgart. It

I cannot speculate on the results of Das Goldene Lenkrad, which will be announced in Berlin in late November, because I was involved in their choice but a few notes may be of interest. Japan, with seven cars, had the biggest entry, followed by Italy (four), France and Germany (two each) and Spain (1). Britain should have been represented with a Rover 213S but it had to be scratched at the last moment because no car was available.

Ideally, one would have driven all the cars in class order but with 16 to do and 26 other judges to compete with, this was impossible. I began with the Honda Accord 2-litre fuel-injected hatchback and worked my way through. Ingeniously, the Honda handed the seat belt to me automatically as I closed the door and proceeded to behave like a front-wheel driven BMW, silky smooth at 6,000 rpm on the autobahn, supple on minor roads with minimal tyre noise on rough surfaces.

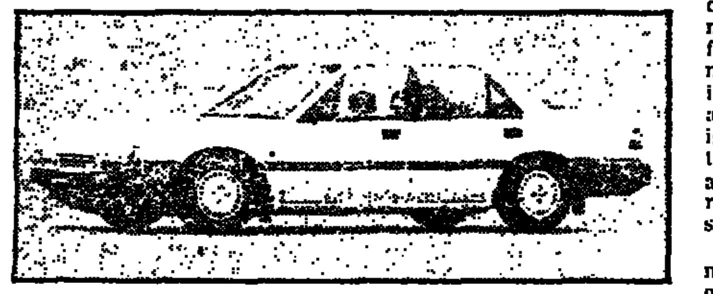
The Subaru XT Turbo is a curious car. It looks lovely and goes pretty well, with the turbo making a noise like a elephant sighing when you lift-off at moderately high revs. You need four-wheel drive on damp roads to kill wheel-spin and front-end misbehaviour but if you stop at a T-junction, you can feel the stress building up in the transmission as you pull away because it has no centre differential.

Peugeot's 205 Turbo 16 had apparently limitless cornering powers, was exceedingly noisy, accelerated like a rocket and had powerful but incredibly heavy brakes.

The Toyota Starlet Turbo was a delicious little car, with light controls and gentle manners though it went like a baby tiger on the atuobahn. A rival to the Peugeot 250GTi, perhaps.

On to the Ford Scorpio 2-litre injection, which was quietly refined on the autobahn at an indicated 124 mph and rode well. But the gearshift was unfortunate. It was notchy with excessive distances between gears.

The 2-litre Alfa 75 was noisier and sportier than the Ford, had softer seats, showed 130 mph at 6,250 rpm and the gearshift felt surprisingly good when driving hard.



The Honda Accord 2-litre . . . like a BMW with front-wheel drive

The Daihatsu Cuore rode like a cork in a millrace on bumpy roads but the tiny engine howled up to 6,500 rpm on a downihll stretch of autobahn, sounding more like a two-stroke than a four-stroke.

With ultra-high gearing, the Renault Espace 2.1 litre turbo-diesel cruised at 100 mph at well under 4,000 rpm in near silence. Despite its seven seats, it felt like a car on minor roads.

A lap of the test circuit in two W124 Merecedes, a 260E and 300D automatic, was predictably enjoyable. Ferrari's obese Testarossa was surprisingly easy to drive though its bulk dictated caution on narorw roads.

On the autobahn, you can see what the Ferrari buyer is paying for. Even at 260 km/h (161.5 mph), which I held for a few seconds, the 12-cylinder engine did not feel over-extended and the great car sat rock-steady on its 45 series TRX tyres.

I thought the 1.8 litre Subaru Leone saloon, with on-demand four-wheel drive and automatic transmission, was much nicer than the XT Turbo coupe. Four-wheel drive was not needed to control wheelspin in acceleration but was simply there in reserve for a snowy hill or muddy track.

Seat's 1.5 GLX Ibiza was not quite as smooth as the 1.2 litre model that impressed me so favourably recently but was a nippy performer (110 mph indicated at 5,000 rpm) and is as keen a buy in Germany as it is here. The Lancia Y10 with the 1-litre Fiat Fire engine, felt a bit over-geared in fifth but rode well for a car with so short a wheelbase.

Toyota's MR2 pleased me so much I could not bear to come off the autobahn. Its 16 valve, 1.6 litre engine spun urgently up to 7,000 rpm, showing speeds of 85 mph in third, 118 mph in fourth and 136 mph in fifth. The five-speed shift is superb, the ride and handling excellent and there is room for two with a weekend's baggage. Don't eat your heart out if you cannot afford a Porsche.

Mazda's 323 GLS 1.5 saloon was rather boomy at over 80 mph but rode well and seemed an efficient, high value package. And the Lancia Thema ended my day on a high note.

The speedometer showed 240 km/h (that is 149 mph but I would settle for a genuine 138 mph or so) downhill, with the tachometer needle nudging the yellow line at 5,700 rpm but the turbo 2-litre was hardly raising its voice.

Stuart Marshall

• BOOKS •

Aria man

LORENZO DA PONTE: THE LIFE AND TIMES OF MOZART'S LIBRETTIST
by Sheila Hodges, foreword by Professor H. C. Robbins Landon. Granada, £12.95. 274 pages

CASANOVA ONCE said that he had known all the adventurers on earth. During the 18th century, Europe teemed with them, clever, unscrupulous vagrants who wandered from country to country, and from royal court to ducal palace, where they made it their business to exploit either the ruling personage or a member of his government or, should that fail, some rich, weak-witted court-lady. Often they were occultists and alchemists. They understood, they frequently hinted, the deepest secrets of the universe, and, if they had not already discovered, were on the verge of discovering, the mysterious Philosopher's Stone.

Among these, Casanova himself was evidently the most distinguished: for, besides being a mathematician, scientist, prose author—capable of discussing etymology with Samuel Johnson — and a celebrated [illegible]-femmes, he was probably the greatest confidence-trickster of his day, who in 17[illegible] had fleeced a crack-brained elderly noblewoman, the Marquise d'Urfé, of nearly a million francs by promising he would translate her soul into the body of a beauteous child born through the marriage of a human male and an exquisite celestial sylph. This romantic project having proved a dream, he had prudently decamped to London, where he suffered the catastrophic mishap—a 17-year-old courtesan refused his embraces and almost broke his heart—which he describes with so much candour and subtlety in his fascinating memoirs.

That extraordinary work contains occasional references to another, but far less dishonest, adventurer, Lorenzo Da Ponte, to whom he owes a different kind of fame: for it is believed by musical historians that at Prague, in October 1787, while Da Ponte was hurriedly producing the libretto of Mozart's glorious *Don Giovanni*, Casanova may have contributed some lively touches, or perhaps the background of a whole scene. Certainly he attended the first night; and what (Da Ponte's biographer speculates) must have been his thoughts as he watched his portrait created by the friend who knew him so well?"

Moreover, if the wicked hero [illegible] a side of Casanova's character, *Leporello seems to* have been based on his crafty servant Costa. Da Ponte and Casanova were undoubtedly old acquaintances, and corresponded now and then. The famous librettist appears to have respected the notorious amorist's knowledge of the world, and sometimes valued his advice, though he was naturally shocked when, hearing he was short of money, Casanova suggested that his beautiful wife should advertise her charms.

Lorenzo Da Ponte: The Life and Times of Mozart's Librettist, is a scholarly, informative book, which will appeal not only to musicologists, but to *all who love Mozart's operas*, and will be grateful for the many sidelights it throws both *on the composer's odd, engaging habits* and on the fruitful period through which he lived. *Two days before the premiere of Don Giovanni*, a nineteenth-century critic heard from his grandfather, *a cheerful party* had been held:

> Mozart . . . . sure of its success, moved about with god-like freedom and ease . . . . An optimist in the best sense of the word . . . . he anticipated the day of the première as though it were a carnival. *He paid extravagant court to* the ladies, played all kinds of tricks, talked in rhyme . . . and everyone *let him do* anything he wanted as if he were a child or a very young man.

Elsewhere, the same writer depicts him at a ball, "thickset, inclined to corpulence, rather short, barely over thirty, wearing his unusually thick hair in a big knot. . . ." Da Ponte was also present; "small, slender, with quicksilver movements and dark, fiery, southern eyes." unlike Mozart "he seemed always to be watching to see what impression he was making. His broken German showed that he was Italian; people called him Abbé, but that didn't necessarily mean he was a priest."

Da Ponte, in fact, was an Italian Jew, born at Ceneda, a *city some 60 km north* of Venice, converted during his boyhood and renamed by a friendly bishop. *It was pre*sumably the mixture of Jewish and Northern Italian strains that helped to shape his adult nature, and gave him his energy, industry, vivacity and, since he belonged to no single race, his incurably vagrant disposition. He had indeed entered a Catholic seminary and, at the age of 16, taken minor orders: but his earliest visit to Venice, in 1770, had had a determining effect upon his tastes. There he

Lorenzo Da Ponte: collaborating with Mozart

met and become passionately enamoured of a young married *woman named Angiola Tiepolo*, unfortunately no relation to the great artist, discarded his *priestly habit and* plunged head over heels into the pleasures of Venetian life.

This enjoyable *existence*, however, underwent a sudden change. Angiola, mad with jealousy, *hurled a heavy ink*stand at his head: he retaliated by chopping off her hair, and lost *his job as tutor to the sons* of a rich patrician family. Soon afterwards his wandering existence began: but meanwhile he had learned to adore the opera and adopted the poetic trade. Having left Italy, he reached Vienna in 1781, where, in 1783, he was appointed poet to the Italian opera and first encountered Mozart, of whose works the enlightened Emperor Joseph II did not so far quite approve. "Too fine for our ears, and an immense number of notes, my dear Mozart!" he said: which prompted Mozart's bold retort, "Just as many notes, your Majesty, as are necessary," he answered.

A *vagrant Da Ponte remained* until the end of his long adventurous career. From Vienna, dismissed, not long after the performances of *Cosi fan tutte* and *Don Giovanni*, by the obscurantist Burgtheater, he fled to Trieste, whence he moved to London and, in 1793, apparently settled down as poet to the Italian opera near Pall Mall. He had a poor opinion of English audiences: opera, he discovered, was "sure to meet with patronage"; but the patrons themselves, who met for the purposes of gossip and fashionable display, lacked all the "sympathy and enthusiasm" that an Italian audience invariably showed.

Meanwhile, his financial *affairs, at the best of times diffi*cult, owing to the ill-conduct of the opera house's reckless *impresario* William Taylor went rapidly from bad to worse; and finally, in 1805, he chose *to try his luck across the Ocean.* De Ponte's last years as an American citizen—he struggled *on until* 1838—make often rather sad reading. With the resourceful courage of his *parents' race*, he opened a New York grocers's shop, at which he sold every kind of merchan*dise, and, assisted by his de*voted wife, became cultural ambassador to the New World, *teaching European* language and literature, and, of course, the splendid achievements of *contemporary music*.

Yet, although he was now moderately prosperous, the memoirs *he published in 1823* reveal a discontented and repining spirit. He had somehow missed his chance, he implies; through the dishonourable practices of others, he had been endlessly frustrated. Just how good Da Ponte's libretti are from a purely literary point of view, it is almost impossible for an English reader to decide. We can only judge by the immediate effect they make; and in such renowned arias as the consolatory words that Zerlina addresses to her disconsolate husband, whom Leporello has just beaten up, whenever we hear them sung, sound and sense still seem wonderfully well-attuned.

Peter Quennell

Girl with sharp eye for fellows

GODDESS : THE SECRET LIVES OF MARILYN MONROE
by Anthony Summers.
Gollancz £12.95. 404 pages

EVER SINCE that scandalous affair long ago between renowned sex symbol Helen and international prince and playboy Paris, the world has been spellbound by tales of political power tangling with female *pulchritude*.

As *Goddess* shows — an investigation into the "secret lives" of Marilyn Monroe, including her alleged liaisons with Jack and Bobby Kennedy — the parallels between modern and ancient myth are remarkable. Paris came of an influential ruling dynasty just like the Kennedys; (and no doubt there was sibling rivalry for Helen's charms between him and Hector). Helen was a "star" in her own right, a famous beauty married to the King of Sparta. And if the Trojan War had its Homer, the Monroe-Kennedy saga now has — well, Anthony Summers. The author of *File on the Tsar* and *Conspiracy* here shows how the world's crusaders for truth have gone to war with the conspirators and power-brokers who hushed up (suggests Summers) the romance or romances, the mysterious death that followed them (did Monroe die by her own hand, by another's or by accident?) and the threat of a Washington-shaking scandal.

But the remarkable thing about Summers's book is that it produces almost as little hard *evidence as Homer's Iliad.* Did ever a news-sleuth interview so many marginal witnesses? We must allow for the fact that the main protagonists are all dead, which is always an inconvenience for the truth-seeker: the Kennedy brothers, Monroe, the Kennedy brother-in-law Peter Lawford (unflatteringly cast here as Pandarus). But there is still a President's widow, a President's brother, Joe DiMaggio, Arthur Miller, Frank Sinatra, Natasha Lytess — all of whom loomed large in Monroe's life and from none of whom Summers has drawn even a squeak of revelation.

Instead we subsist on a low-protein diet of friends' friends, neighbours, former secretaries, cast-off wives, barmen, doormen, and on statements like "the evidence suggests" or "it is at least possible that" or "So-and so, before he died, said." (To whom? On what evidence? Death is a wonderful clearer-away of awkward questions.)

Now Mr Summers's speculations may all — who knows? — be true. Perhaps Bobby and Jack *did* each have an affair with Marilyn. Perhaps Bobby *was* present when Marilyn died. Perhaps the Mafia *did* use the liaisons to blackmail American Justice Department, then under Bobby's command, into a more right-wing posture. Perhaps J. Edgar Hoover *did* try to shield a vulnerable President by seizing Marilyn's last telephone records. Perhaps Bobby *did*

Marilyn Monroe, a modern Helen of Troy

visit a nudist beach with Marilyn one day wearing nothing but a false beard(!)

Perhaps. And perhaps not. But if all you need in order to build a case and publish it is a chain of imaginative "perhapses," supported by the not always wholehearted corroboration of obscure witnesses, *it is* surely open season for amateur muck-rakers.

The first half of the book, before we hit the Kennedy chapters, is a makeweight biography of Monroe treading much the same ground as earlier, better-written books: except where Summers claims (again not conclusively) to have dug up an early unrecorded marriage of Monroe's or when he makes a big psychoanalytic palaver about her desire for and fear of childbirth.

But the book's publishing *raison d'être* is the Kennedy section. And here one merely cries "Poor Marilyn!" What we are told is that she was abused and exploited by the highest family in American politics. What we know — the evidence is before us in a black dust-jacket and costing £12.95 — is that she is still being abused and exploited by eager newshounds, scrabbling in the dirt for the hottest story since Troy's heir-apparent first dated the wife of the King of Sparta.

Nigel Andrews

Fiction

Mayhem in North London

BLOOD LIBELS
by Clive Sinclair. Allison and Busby. £8.95. 191 pages

THREE OF A KIND
by Rachel Ingalls. Faber, £8.95, 141 pages

MEN AND ANGELS
by Mary Gordon. Jonathan Cape, £8.95. 239 pages

ARROWS OF LONGING
by Virginia Moriconi. Duckworth. £9.95. 252 pages

NO EASY task *to convey* the full flavour of Clive Sinclair's *Blood Libels*, his first novel for *12 years*. *It is a comedy* of sorts, "spinning between the twin suns of fiction and reality" *according to the blurb*, certainly very funny in places. It is also very Jewish, drawing heavily — though not too heavily, one hopes—on the author's own background as novelist, copywriter, literary editor of a London-based Jewish newspaper.

Like the author, Jake Silkstone was born in 1948, the same year as Israel. His childhood is much influenced by Rabbi Nathan, a sententious old bore who receives his comeuppance at Jake's barmitzvah when he is caught attempting forcible sex with Helga, the German au pair. Helga herself has been serving pork to the Silkstone family, a crime for which she is being sexually blackmailed by the pubescent Jake.

So far, so frantic. Later Jake becomes literary editor of the Jewish Voice and receives bombs and excrement through the post. A friend is assassinated in mistake for the Jewish *ambassador: Lebanon* is invaded. The daughter of a fascist figure attempts to kill *Jake and is herself gunned* down, leading to the ultimate slur—that she was murdered *by the Jews as part of a tradi*tional ritual slaughter.

This blood libel is at the heart of the book. *The author's* purpose is to satirize anti-semitism in Britain, and he does so by deliberately going way over the top. Hendon and Golders Green are pillaged, Jews are thrown to the mob, the Zionist conspirators in the Cabinet are given their marching orders. Familiar enough in another setting, but not terribly convincing here, not even in pastiche.

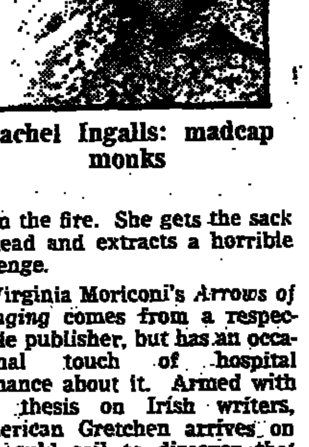
Rachel Ingalls's *Three of a Kind* is a trio of short stories, two of them wildly improbable to say the least, but all strikingly original in their own way. Most improbable of all is Brother Anselm, a young monk in a hip California monastery, who yearns sometimes for the things he has put behind him—like *seeing* a really exciting movie full of car chases. Instead he makes it one day with a nice stranger he meets —name of Gabriel, an oddball with wings—only to discover soon afterwards that he is pregnant.

The younger monks—former Hell's Angels and potheads—gather round for a look at his new breasts. The older ones, in the absence of a halo for Anselm, view the whole business with suspicion. Could it be that Anselm is the product *of evolution?* After all, Darwin wasn't wrong about everything.

The other stories, less witty, are more sinister. In one, an American expatriate in the Austrian alps finds herself embroiled with a Christian organisation, the unwitting front for an insurance swindle masterminded by murderous old ladies. In the other, the unhappy wife of a famous Eastern seaboard family—one thinks of Joan Kennedy—takes a trip to the orient with husband and chauffeur, only to discover that her value to the family is even less than she suspected.

Men and Angels, by Mary Gordon, charts the unhappy career of Laura, a religious loony who arrives at a small Massachusetts college to be an au pair to the Foster children. Husband Michael Foster is in Europe on sabbatical, leaving wife Anne to get on with her catalogue of the works of artist Caroline Watson (an amalgam of Cecilia Beaux, Mary Cassatt and Suzanne Valadon).

Emotionally deprived Laura swiftly gets her hooks into Anne, whom she intends to save



Rachel Ingalls: madcap monks

from the fire. She gets the sack instead and extracts a horrible revenge.

Virginia Moriconi's *Arrows of Longing* comes from a respectable publisher, but has an occasional touch of hospital romance about it. Armed with her thesis on Irish writers, American Gretchen arrives on the ould soil to discover that the Ireland of Yeats and Synge is also the Ireland of appalling plumbing and pigs in the kitchen. She puts up at the big house with a splendidly awful Anglo-Irish family and suffers a severe dose of culture shock (Mrs Moriconi is a little *patronising here—more so, one* suspects, than she intended). Later, however, Gretchen suc*cumbs* to Ireland's charm, and also to middle-aged Dr Donovan. *Gra mo chroi*, as they say.

Nicholas Best

Young meteor

Jessica Mitford and Esmond in 1937

***REBEL: THE SHORT LIFE* OF ESMOND ROMILLY**
by Kevin Ingram. Weidenfeld *and Nicolson. £12.95, 252 pages*

ESMOND ROMILLY was born in 1918 and died, while acting as navigator in a Canadian Air Force bomber in 1941. Thus "the short life."

The "rebel" started early when he ran away from Wellington College at the age of 15 and orchestrated, via the pages of his newly founded magazine, Out of Bounds, a schoolboys' attack on the public school system. This was quickly taken up by the national press —and not just because he was Winston Churchill's nephew. Romilly had the kind of self-confidence which makes itself the centre of attention whatever the circumstances. Kevin Ingram, in the modern biographer's manner, does not hesitate to quote the opinion of contemporaries who agreed about Romilly's arrogance, selfishness and violence of temper.

However here was a boy who had the convictions of an adult. Communism, as discussed in the famous Parton Bookshop, seemed to him the proper way to sort out the dangerous world of the middle-1930s.

The violence of Romilly's nature was allied to great courage. After preliminary skirmishes with the bouncers of the British Union of Fascists, he *took off for a real war in Spain.* While other less strong-minded London volunteers fled after a *short dose of the Spanish* Civil War, Romilly stayed—to watch most of his colleagues get *killed. He described his experi*ences in *Boadilla.*

Soon after, he was joined by *another rebel from the upper*-class sytem, Jessica Mitford. He was still only 20 when they married and *they had two* daughters, the eldest of whom died when only a few months old.

The Romillys lived first in France, then America where they ran a bar and finally Canada where Esmond joined the Canadian Air Force. By this time it seems that either marriage or experience had dimmed his total confidence. In 1941 Romilly's squadron was posted to Britain and his friendship with Toynbee was renewed. Toynbee wrote,

> . . . he told me that his only political motive was his dismay at human unhappiness. . . . I had a sudden superstitious fear that by admitting his goodness of heart he had made himself vulnerable; that this, without knowing it, might be a preparation for his own death.

Indeed the end was tragic, made more so by the separation of husband and wife since Jessica had remained in America with their baby. A telegram she sent him to confirm her plans to join him was greeted with a telegram announcing his death.

Toynbee's sense of Romilly's changing personality is echoed in the moving and unassuming letters he wrote to his wife *during the period* he was flying on bombing missions. Mr Ingram has the good sense to add *little analysis to this* well-documented biography. Esmond Romilly may not have changed *history* but he certainly took part in several of its more dramatic moments.

Rachel Billington

Putting women on a pedestal

MONUMENTS AND MAIDENS: THE ALLEGORY OF THE FEMALE FORM
by Marina Warner. Weidenfeld & Nicolson. £16.95. 417 pages

THE QUESTION of why the female form has been considered appropriate, since the earliest days of Western civilisation, to personify a wide range of ideal concepts is an intriguing one, that fully deserves this detailed and scholarly exploration. The discrepancy between the abstract concepts and virtues represented in classical art by the female form—Justice, Wisdom, Victory, Knowledge, Prudence, Chastity, Fame, Liberty—and the lowly status of real women in the societies producing the works of art (whether Ancient Greece, revolutionary France or Victorian England) is by no means easy to explain.

Marina Warner begins by examining three very different allegorical uses of the female form: New York's Statue of Liberty, the public sculptures of central Paris and the images of Mrs Thatcher favoured by Fleet Street. The latter is one of the most brilliant analyses in the book, displaying Ms Warner's combination of wit and erudition at its most dazzling, while also demonstrating the continued importance of allegory in the functioning of the 20th century mind. Caricatures of Mrs Thatcher with the armour and accoutrements of Britannia are part of a traditional treatment of the female form that can be traced back to the ancient Greeks and Athena, goddess of wisdom and *of war, who became the pattern* for both armed maidens and female muses.

At the basis of Ms Warner's complex and copiously illustrated argument lies the statement that:

> The female form tends to be perceived as generic and universal, with symbolic overtones; the male as *individual, even* when it is being used to express a generalised idea.

Thus we have "*Uncle Sam*" and "John Bull," but no one calls the Statue of Liberty anything *but the Statue of Liberty.*

One hundred reproductions including contemporary advertisements, Greenham Common women, Greek statuary, medieval manuscripts, Italian *renaissance* paintings and important 20th century works of art indicate the scope of the *text*. *Marina Warner* is especially good at perceiving unexpected relationships across *the barriers of time and culture* in the true structuralist spirit. Pygmalion, Pinocchio, Prome*theus, Frankenstein and Eve*, for example, are presented in a logical progression of ideas *in such a way that each reveals* a new aspect of the other.

Such breadth of thought and knowledge makes considerable demands on the readers' concentration, but in return provides an invigorating appreciation of the many cultural traditions underlying the allegorical use of the female form in art.

Alannah Hopkin

Full Marx

MARXISM AND MORALITY
by *Steven Lukes*.
Oxford £12.50. 163 pages.

STEVEN LUKES, Fellow of Balliol, makes a brave attempt in this book to unravel some of the major contradictions (he calls them "paradoxes") in Marxist doctrine which have worried those who want to believe that Marx had something valuable to say. Two of the main paradoxes examined here are these. Why did Marx and *many of his disciples apparently* deride all morality as a fraud and a sham, and at the same time denounce their opponents in the language of moral indignation? Secondly, why have *Marxists* at once justified *even* methods of terrorism and brutality on the ground of the *transformed society to which* these were said to be a necessary step, and yet remained *remarkably silent about the* nature of that society.

Much ingenuity, massive quotations and proper academic detachment are displayed by Dr Lukes in seeking to "resolve" these paradoxes. On morality, he thinks the secret lies in a distinction between the morality of "right"—rules, laws, justice —and the morality of "emancipation."

However, Dr Lukes admits pretty frankly that Marxists *have never satisfactorily* explained what the post-revolutionary utopia would be like and how *it would work. Indeed they* take refuge in objecting to such questions even being asked. "They *advance* various anti-utopian arguments for *not* answering them—at least until *the time* comes for their solution." Here again a simple explanation is possible. In believing that somehow after the Appointed Day all will be well in some mysterious way, may not Marxists have been just following a long historical tradition which *stretches from the* early Christians awaiting the Second Coming to Rupert Brooke's watery paradise?

> In that heaven of all their wish
> There shall be no more land, say fish.

Douglas Jay

Courage rules

METAL JAM
By Teresa McLean. Hodder and Stoughton, *£6.95. 214 pages.*

TERESA McLEAN approaches diabetes with the same intellectual attention she gave to medieval gardens in a previous book. *Metal Jam* is part autobiography, part textbook. It sets the scene at the start. Miss McLean was a Betjemanesque sports girl. She got a cricket blue at Oxford (easier for girls) and would have got a history first (*she thinks*) if she had not taken a holiday just before her *viva that drove all the learning* from her mind. When she came down, she went to India to work *with Mother Teresa*. There she began to suffer from depression, then from physical weakness, and had to come home, three stone lighter than when she had gone out. At 21, she was diagnosed as diabetic. "I did not understand then," she writes, "that it was not just a life condition, but also a life sentence."

Thereafter, the book, like *Gaul*, can be divided into three parts. One is about the causes, nature and treatment of diabetes; then, more disturbing, come close-ups of its effects, as she knew them and saw them in others; finally, a philosophic consideration of the reason in life of diabetes and suffering in general, Miss McLean's philosophy being generous, good humoured and anchored in her Roman Catholic faith.

The book's title describes the taste of jam made with sugar substitutes, sweet, with a sinister after-taste. This is Miss *McLean's life*, well-ordered and happy, but constantly threatened by "the beast of hypoglycaemia." She merges from this remarkable book as an exceptional person.

B. A. Young

مكتبة الأصل

Opera

Deft diabolism

THE ENGLISH National Opera's new production of *Faust* at the Coliseum marks an important stage in the restoration of something aproaching the original text: the recitatives that Gounod wrote to convert his *opéra-comique* into a *grand opéra* are rejected in favour of spoken dialogue. The result, in the new performing version by Ian Judge (producer) and Edmund Tracey (translator), is all gain: and is freed from the portentousness that has been the main reason for its recent neglect. I write "something approaching" since the non-availability of vital autograph material means that this can only be an interim *Faust* text, but it is a huge step in the right direction.

Like all good *opéra-comique*—*Hoffmann, Carmen, Manon*—*Faust* is a work of quicksilver changes of mood, from the grotesque to the indiscreetly erotic to the broadly comic, and Mr Judge takes full advantage of this with his refreshingly non-naturalistic staging in ideally flexible decor by John Gunter and Victorian costumes by Deirdre Clancy. Some images have a power way beyond mere theatrical *diablerie*, a power that makes you catch your breath in horror: Faust's hysterically hurried black mass in the first scene; Valentin expiring suggestively on the prone, pregnant form of his sister; the devil hearing Marguerite's confession before inducing what looks like a particularly nasty miscarriage.

Other moments catch the right prurient leer of 19th-century—and alas current—attitudes to sexuality, such as the transformation of the *demeure chaste et pure* to a perfumed pleasure garden even as Faust apostrophises the former, or Mephistopheles's voyeuristic participation in Marguerite's deflowering while excluding the audience from it with a disapproving glare. Some tricky corners are neatly turned (in "A moi les plaisirs" Faust is flicking through his portfolio of erotica), others less so; during the Jewel Song Marguerite, in Victorian underwear, is adorned by five black men wearing jewelled collars and not much else, which I think was going Very Slightly Too Far but a witty enough rejoinder to Marie Miolan-Carvelho, on whose insistence this potentially shy-making number was written.

Mr Judge does not, then, despise the big theatrical gesture any more than Gounod did, but beneath all the showbizziness there lurks a disturbing ambiguity. Faust in mid-life crisis is fair enough, but how is it resolved? Marguerite, first presented as a *louche* Pre-Raphaelite Primavera, has a suggestion of the agent provocateur to her, and there is a hint of Faust's new-found and possibly even sincere probity in the Garden Scene being betrayed by her lasciviousness. The ending is both striking and impenetrable: Faust a grey wraith, far older than the prissy non-conformist divine we first meet; Marguerite spectacularly mad after the manner of *Marat-Sade*, having her neck broken contemptuously by Mephistopheles; our hero sinking to hell in consoling embrace with his demonic *Doppelganger*. Ambiguous, yes, and if everything doesn't quite hang together then at least Mr Judge has taken the piece seriously and peered with profit beneath its voluminous period petticoats.

Musical values are by no means submerged in theatrical vibrancy. Jacques Delacôte comes to the Coliseum with well-tested credentials in 19th-century French music, and from an exquisitely shaped Prelude onwards showed that he knows precisely how this sort of music should go. The orchestra, on top form, supplied just the right silky, suave tone colour, and the Garden Scene especially exuded an ideally civilised, musky perfume. Only occasionally one felt M. Delacôte was driving the music a little too hard — the Waltz and the Kermesse chorus, which seemed to catch the ENO choristers literally on the hop — but in general this was a lesson in the correct style well taught and convincingly learnt.

Alastair Muir

Arthur Davies and John Tomlinson

On an uneasy first night the lesson did not extend to the vocal side of things. Both Arthur Davies (Faust) and John Tomlinson (Mephistopheles) were apologised for. Once Mr Davies has got over his cold one hopes he may push less (the top C in "Salut, demeure" was there all right, but not nice to hear) and relax more into the sort of Frenchified head voice heard to such beautiful effect later in the scene. And when Mr Tomlison has recovered from his chest infection we will hear whether or not the role lies a little high for him, and whether he can match vocally the boulevard elegance with which he plays the part, throwing off the sardonic one-liners in Mr Tracey's translation with diabolical aplomb.

Helen Field caught the enigma of Marguerite with a characteristically intense, thoroughbred dramatic interpretation, and sang the trickily written role with her accustomed generosity: the notes are all there, which is saying a lot, and a surer sense of musical line will doubtless come in more relaxed circumstances. Christian de Plessis (Valentin) sounded distressingly off-form in his Cavatine but luckily recovered some firmness of line for his curse. Fiona Kimm made a most charming Siebel, one who also fell victim to a bloodbath of multiple stabbing in the fourth act when Faust lashed out at anyone within reach. If this is what the mid-life crisis does to one, then I am determined not to enter it, at least for the time being.

Rodney Milnes

Records

In fine voice

THE RECORD OF SINGING, Vol 3: 1926-1939
EMI HMV Treasury.
EX290169-3 (13 records)

THE WAIT has been long for the third instalment in EMI's epic of recorded aria and song from before the advent of the LP; but patience is rewarded at last, and splendidly so. Volume 2, issued early in 1980, covered the period 1914-25 ie the final phase of the pre-electrical recording process. Volume 3, just published, opens out the electrical era and stretches across the remainder of the inter-war years. Like its predecessor it is a mighty 13-disc set, with price to match; and also like the second volume, though in rather different fashion, it is a treasure trove of delights that constitutes at the same time a series of related lessons in the art and the very meaning of the singing voice. As I remarked when reviewing Volume 2, *The Record of Singing* must be reckoned one of EMI's greatest monuments — an *Ewige Werk* that comes ever closer to being *vollendet*, that promises to be quite as magnificent as Valhalla, and perhaps rather more durable.

Where last time 188 singers made up the list, the number has now been of necessity increased to 214 (I hope I've counted correctly). This means that almost all the singers on show are given only a single item (only Schlusnus, Supervia, Borgioli, Schipa, and Panzéra get two) — understandable, though often one instantly hungers for more. Many careers outlined in Volume 2 were long-lasting ones, and many voices are heard again, among them Melchior, Tauber, Schorr, Schumann, Lehmann, Leider, Muzio, Gigli, Stracciari, McCormack, Dawson, and Ponselle (Shalyapin figures in all three volumes, and Clara Butt also in the first).

As before, the layout is organised according to the existence of five main schools—German, Italian, French, Anglo-American, and East European-Slavic (owing to the scarcity of available material it is the last-listed that receives the shortest survey). These national categories are made plausibly broad (the young Jussi Bjorling, for instance, is rightly placed among the Italian tenors, even though his example—Paris's entrance song from *La Belle Hélène*, delivered with glorious brilliance and headlong vitality—is French opera sung in Swedish!).

As well as those already mentioned, the famous names of the period include Patzak, Jamsen, Kipnis, Lemnitz, Rethberg, Flagstad, Stignani, Olivero, Pinza, Lauri-Volpi, Pertile, Pons, Vallin, Lubin, Thill, Bernac, Tibbett, Teyte, Cross, Turner, and Lemeshev: what a roll-call! There is pleasure but also fresh illuminattion in hearing them anew in this particular context. There is no less of both in renewing other acquaintances, and in making discoveries among the less famous and the little-known. A short review is, strictly speaking, impossible—a few generalisations and an agonised small selection of special delights is the only realistic approach.

The record producer, Keith Hardwick, admits in the booklet to initial misgivings over assembling a third volume: "vocal standards were generally considered to have been in decline during the inter-war years." As a compendium in itself the set offers a powerful contradiction of any such general consideration, especially when one compares its contents to the starved quantities, low standards, and journeyman styles of front-rank singers in our own day.

Random flitting across the 13 sides points cruelly to all the categories in which make-do, or worse, is today's operatic *modus vivendi*. We lack not just the unrepeatable Melchior (whose 1930 *Tannhaüser* Song to Venus sets off the first record in highest excitement), but any other *Heldentenor* voices of the calibre of Lorenz, Völker, Rosvaenge, Ralf, or Britain's Walter Widdop.

The Italian selections are almost the cruellest, parading as they do the grand mezzos (Minghini-Cattaneo in the Verdi Requiem, Stignani as Delilah), important dramatic sopranos, (Dusolina Giannini, arrow-bright in "Pace, pace," Gina Cigna, a vibrantly warm Puccini Minnie), and an array of tenors, baritones, and basses without equal. Then one comes to the French records, and similar comparisons lead to even more drastic conclusions. And so on and on: perhaps only in the Anglo-Saxon world is the situation less lopsided — though to Eva Turner (here Turandot, and probably as "unrepeatable" as Melchior), Joan Cross (an exquisitely delicate Butterfly-in-English), or Peter Dawson (a *Messiah* sample of his matchless florid technique) we can boast no real successor. Pure tone and legato-as-expressive-medium: reminders of what they mean are not hard to find.

But with reference to the earlier volumes, perhaps the notion of decline can after all be temperately contemplated. The recorded sound is better, of course, but personality is not always so triumphantly vivid. Florid singing was indeed in decline (Dawson aside); the high sopranos (Jokl, Schone, Kern, Pagliughi, Pons) don't always disguise casualness of execution under piquant, charming manners. Verismo exaggerations certainly leave a mark on the lesser Italian sopranos—no doubt the passionate squalls of a Bruna Rasa or a Scacciati Are more to some tastes, mine among them, than to others. And while on the vexed question of personal taste, I found the adjective "ladylike" insinuating itself unkindly into experience of the Austro-German sopranos—not of the "greats," Lehmann and Leider, but of the level just below them—more often than I had expected it to.

There is a good deal of forgotten music and previously unpublished material here, and Mr Hardwick takes justifiable satisfaction over both. I'm not sure, though, whether in certain instances a more familiar item might not have demonstrated a singer's particular gifts and arts more fully (an ill-tuned "Die Allmacht" from Marta Fuchs does a fine singer less credit than she deserves). For a similar reason some specially favourite singers — Antonio Cortis, Villabella, Norena among them — prove here slight relative disappointments. The booklet is a far skimpier affair than for the previous volumes, with excessively selective biography (surely Nazi sympathies should be mentioned where relevant?) and a crop of factual errors.

And then, when critical sniping is done, one goes back to Rose Pauly's Strauss, André Pernet's Coppelius, or melting Rogatschewsky, or the blissful Offenbach from Yvonne Printemps and Rewnaldo Hahn — and one rejoices all over again in the whole enterprise.

Max Loppert

An exhibition of "The Treasure Houses of Britain: Five Hundred Years of Private Patronage and Art Collecting" opens at the National Gallery of Art, Washington DC next week. Objects are displayed in rooms designed to create the feel of country house architecture. Johan Zoffany's painting of "Charles Towneley in his Library" inspired the design for the sculpture rotunda. Colin Amery reviews the exhibition on these pages next week.

Theatre

Comedy class in Oldham

Sally Edwards as Elmire and Wyllie Longmore as Tartuffe

JOHN RETALLACK's production of *Tartuffe* at the Oldham Coliseum plunges Molière's play into the context of British middle class society. Despite a 17th-century French setting, and a society ruled by a king and Catholicism, Retallack offers an accessible production which answers the question "Why Molière in Oldham in 1985?" and salvages a starkly moral tragi-comedy from a play more often given pantomime treatment.

This is Retallack's second production since arriving as artistic director of Oldham Coliseum, from the Actors Touring Company. Box Office takings are up, the audiences are noticeably younger, and there is a buzz of enthusiasm in the lusciously refurbished theatre (courtesy of Greater Manchester Council).

The cast use Christopher Hampton's translation (originally done for the RSC) which is colloquial and contemporary, especially when combined with a resident northern company who exude a clear and controlled ensemble approach. Retallack is a director of idiosyncratic ideas who evidently does not stamp these on his company but rather inspires understanding and commitment. Orgon, duped into offering his house and family to Tartuffe, is played by Barry McGinn not as a laughing-stock but as a man seriously besotted, possessed by a depth of fervour for Tartuffe, which Tartuffe is reputed to have for God. Julia Ford plays Dorine with arms-akimbo capability, expressing the maid's pragmatism. Molière's comic portraits are fleshed out into vulnerable and believable people. Twentieth century psychological realism applied to the play renders it sinister as often as it is funny. The explosions of humour, when they come, are moments for the audience to let off steam in a production driven by dramatic tension and oiled with suspense.

Perhaps the cleverest reinterpretation is to play Tartuffe not as a grotesque and showy hypocrite, but as the still centre to a chaotic orbit of characters who are sucked into his magnetic force. Wyllie Longmore is a sly, sinuous Tartuffe with an extraordinarily commanding physical stillness, broken only by occasional meticulous gestures which convey Tartuffe's rehearsed vanity and expert audience manipulation.

The set in this production mirrors the layers of artifice in the plot. Judith Croft sets up a stunning house of classical grandeur and composure, like a Dutch renaissance interior, with frescoes by a mawkish cousin of Botticelli which expresses Orgon's pretentious tastes for his family and home. Retallack directs the final revelations not as comic denouements but as skins peeling off to reveal the heart of this play; simultaneously the florid canvases ascend to the flies. Orgon is revealed as a moral weakling running mad-eyed around a bare hall with his family in tow.

Charlotte Keatley

Radio

A Peacock's pride

ON MONDAY, Professor Alan Peacock addressed the Voice of the Listener annual meeting about his Committee on Financing the BBC. Of the 521 submissions received so far, he reported 186 were in favour of advertising on the BBC, 202 against. But as a submission might come from a single individual or a numerous body, this really proved little, and a public opinion poll was to be conducted by the NOP to provide a better balanced figure. (A Mori poll for the Marketing Society published on Thursday registered 76 per cent for advertising. Members of the Voice, and some others, then put forward a selection of submissions, disguised as questions, that should have been sent to the Committee (and submissions could still be accepted) or to the Programme Controllers of the Corporation.

This was not the *Peacock in his Pride* of Sunday evening's Radio 4 programme, however. Here we had Thomas Love Peacock, the author of satirical novels in the early 19th century. Dr Marilyn Butler presented him with such insistence on his wit and the elegance of his writing that it struck me we should have adaptations of his delightful books on the radio, where they ought to fit very well.

What with Peacock, and the first of the *Raffles* stories (not a very good one, with Raffles (Jeremy Clyde) and Bunny (Michael Cochrane) climbing up and down ropes), and Gore Vidal taking over *Bookshelf* single-handed from Hunter Davies, to its great advantage, I missed a good deal of the 3½-hour *Wallenstein* on Radio 3. What I heard was very good indeed, brilliantly cast, well adapted by Anthony Vivas and Tinch Minter, directed by Martin Jenkins, and I undertake to give a more thorough notice when it is repeated, which I am assured it will be, though not yet scheduled.

A more famous but less enjoyable writer than Peacock, D. H. Lawrence, had a Radio 3 programme on Wednesday to add to the three-part feature on Radio 4, *The Tarnished Phoenix*, put together by Roger Pringle, had words from his letters and his poems, with a counterpoint from the memoirs of his wife Frieda. Beautifully read by Richard Pasco and Barbara Leigh-Hunt, the programme had a more subjective quality than its competitor and brought Lawrence out of the reference-book into the testimony. Neither Lawrence's Nottinghamshire nor Frieda's German accent was attempted, and quite right in what was not a dramatic but a poetic statemen.

Thursday afternoon's Radio 4 play, *Janice* (adapted from Albert Camus by Veronica Richards), was part of a sporadic series, *The British Abroad*. Camus must have disliked the British he met in North Africa. His Edmund (Alan Thompson) is an impatient and bad-tempered commercial traveller who has brought his wife with him on his current sales trip to the interior in lieu of their usual holiday on the coast. He is endlessly irascible, while his wife Janice (beautifully played by Sheila Sim) tries to stay cheerful when she is with him, though she relapses into misery when left alone. At the recommendation of a sympathetic stranger, she persuades Edmund to take her to the fort on the edge of the town, and there she finds true pleasure in the desert, with its distant oasis and its brilliant ceiling of stars. That is all; but it was well written, well played and enjoyable. Jane Morgan directed.

Every hour on Radio 1, for the whole week ending last Thursday, there has been a *Drug Alert* interruption into the programmes. They contain short interviews with drug-users telling of the suffering their addiction have caused, followed by an appeal to ring the "help-lines" on 345 500500 (local call rates only, wherever you are). These take you to the Broadcasting Support Service, which can give authoritative help and advice, and distribute some well-prepared booklets. Some of the interviews sounded less than spontaneous — after all, it cannot be easy to tell the 19m Radio 1 listeners about your weaknesses — one at least was heartbreaking. At the end of the week's campaign, over 3,000 listeners had rung for assistance.

B. A. Young

Solution to Chess No 591

1...P-N3! gains a piece. If 2 R-N5, P-QR3; 3 RxP, RxB; 4 PxR, Q-K8 ch wins. If 2 R-B2, RxB; 3 RxP, RxR; 4 QxR, QxKP with a knight ahead.

SALEROOM appears on page IX this week

WEEKEND FT

Continued from page one

Vickers at £22m, together with the fact that Citicorp was taking an option on all the remaining shares, gave the revolutionary bandwaggon a powerful shove. The all-embracing nature of the deal indicated to all concerned that there was to be no going back.

As brokers and jobbers fell into the arms of every conceivable kind of financial institution, domestic or foreign, the Bank of England's original game plan started to fray at the edges. The idea of phasing-in negotiated commissions was abandoned after City practitioners concluded that it was unworkable. Instead, an informal deadline was fixed for the abolition of fixed commissions in October 1986: the "Big Bang." Meantime, the Stock Exchange agreed to allow outsiders to move to 100 per cent ownership of member firms in spring of that year, and laid plans for a new dealing system in preparation for the Big Bang.

Today, the Big Four clearing banks, together with most of the leading mer-

Too much capital will be chasing too little business

chant banks, have signed-up the cream of the British broking and jobbing fraternity. On our own crude estimate, more than three quarters of a billion pounds has been committed to the purchase of Stock Exchange firms; and the total commitment will be substantially more when the buyers have pumped further captital into their acquisitions.

To have persuaded so many top British and American banks to pay so much for firms that were seeing the last fruits of a waning monopoly was no mean coup on the part of the bigger members of the Stock Exchange. All the more, given that the chief assets of the firms in question were people; and those with marketable skills quickly demonstrated their readiness to hop from one firm to another at ever-increasing salaries and premiums, to the chagrin of the purchasers.

There was also enormous uncertainty about the potential earnings in the new, Americanised securities market. Today, some large brokers believe they will still be able to earn substantial commissions in an agency role for institutional investors. Others claim that the biggest institutions will expect brokers to make their money from dealing as principal and will be reluctant to give away commissions.

In the gilt-edged market, everyone in the City agrees that too much captital will initially be chasing too little business. And nobody knows how far the benefits of conglomeration will be allowed to filter through to profits, because conglomeration involves conflicts of interest and difficult questions about the need for disclosure under common law. While the government was deregulating the securities markets with one hand, it was reregulating with the other. Profits are contingent on the laxness or otherwise of forthcoming legislation on financial services.

For the American banks, the sums involved are small. They are being given the opportunity to experiment with conglomeration in a way that is prohibited by the Glass-Steagal Act back at home. The biggest U.S. securities houses, such as Merrill Lynch, Goldman Sachs and Salomon Brothers, have conspicuously refrained from major acquisitions.

The British banks are more exposed. And many in the City believe that no more than two or three major British securities houses will emerge — if that. The reason for this pessimism is that the key to success in the new climate, for those who wish to do more than plough a specialist furrow, will be to take positions as principal in large lines of stock; and to minimise the risk of holding those stocks by distributing them rapidly to a wide range of investment clients: In the final analysis, the bigger banks' purpose in making conglomerate acquisitions was to obtain "placing power" — the ability to distribute securities to investors. Yet, experience in the Eurobond markets suggests that this is a game in which only a handful can win.

It is noteworthy, then, that a single major British broker, Cazenove, has so far opted for independence. For Cazenove is the nearest thing in British broking to a merchant bank. It has an enviable list of impressive corporate clients that turn to it when they wish to raise capital; and it is rated second to none when it comes to placing shares.

At the end of the day, it may turn out that the Stock Exchange has done brilliantly for its larger members at the cost of turning its own market place into a backwater of the international capital markets, dealing only in second-line domestic equities. For many of the bigger American firms in the Euromarkets are now indicating that they would prefer to have their own self-regulatory organisation for international equity and bond dealing, rather than throw in their lot with the Stock Exchange.

As for the Bank of England, it has always recognised that the liberalisation of the Stock Exchange comes late in the day — and that the new conglomerates entail new risks for the financial system. Earlier this year, the governor, Robin Leigh-Pemberton, declared that "the process of change is likely to involve some accidents, and it would be wrong to expect the authorities to convoy everyone safely through the uncharted waters ahead." After hubris, nemesis, it seems. Or, as another City luminary once put it, the only safe generalisation in human affairs is that revolutions always destroy themselves.

● *This article is based on "The Square Mile," published this week by London Weekend Television in conjunction with Century Publishing. London Weekend Television's series of six programmes on The Square Mile, presented by John Plender and produced and edited by Paul Wallace, starts on Sunday, November 3.*

Sport

Turf king's last ride

LESTER KEITH PIGGOTT, a dominant presence in the English horseracing scene for most of the last 38 years, rides in this country for the last time next Tuesday at the unglamorous Nottingham meeting.

He will be a week short of his 50th birthday, and thousands of punters can be expected to turn out to cheer the King of the Turf, hoping he will oblige them with a farewell winner.

Very few sportsmen have remained in the spotlight for such a span, and it is a tribute to Piggott that he can still command the centre of the stage.

His many years at the top of his profession have been sustained by a love of horses, an relenting will to win and by his legendary liking for money. His wife, Susan, an ex-show jumper, referred obliquely to this last interest when she was asked in a television interview how he settled down after some race meetings. "With a glass of water and the Financial Times," came the reply.

Piggott rode his first winner, The Chase, trained by his father Keith, in August 1948 when he was a 12-year-old fledgling weighing just 4 st 11 lb. Since then he has won the jockeys' championship 11 times, and has collected 29 English classics—a record which may never be beaten. His haul includes nine Epsom Derby victories—it took the great Sir Gordon Richards 29 attempts to win one.

His achievements would keep a statistician happy for many hours. He is nearing an incredible 5,000 victories world wide. His skills have been seen on every racecourse in England and Scotland; the Irish have cheered him to many victories; the French, particularly this season, have seen him beat their best and he has had classic wins in Belgium, Spain, Germany, Italy, Australia and the U.S.

His brilliant riding—and his business acumen—have made him wealthy and it has been said that he earned more than £20m for his patrons over the years. He has invested wisely and has paid £1m for a new training establishment in Newmarket.

Piggott is undeniably a thoroughbred. His father was a succesful jockey and trainer and his grandfather won a couple of Grand Nationals in the 1930s. His mother is a Rickaby, another notable racing family.

Piggott, who had a pet pony Brandy, at the age of three—on which he gained succeses in local gymkhanas in Lambourn, Berks, his home at the time—has always found it difficult to communicate, especially with newspapermen. He was born with a slightly cleft palate, and this left him with a speech defect. He is also slightly deaf.

Years of strict dieting—he still rides at about 8st 7lb—have taken their toll on his face which is now heavily lined. Some unkind observers say it looks like a well-kept tombstone. He is frequently known as "old stone face."

He has ridden for some of the world's leading—and richest—owners, including the Queen, the Aga Khan, Mr Robert Sangster (the Vernons Pools boss) and the late Mr Charles Engelhard, a Canadian multi-millionaire. It was on Mr Engelhard's horse, Never Say Die (33-1) that Piggot won his first Derby at the age of 18, in 1954.

He has ridden some of the finest horses seen on a racetrack. His all-time favourite was Nijinsky, the triple crown winner in 1970. Others include the great Shergar, which mysteriously disappeared after winning both the English and Irish Derbies, and Sir Ivor.

After his last ride next week he becomes a trainer, with horses already committed to his care by a number of top owners.

As a great riding career comes to an end, can it be long before his consistent brilliance is rewarded with the final accolade. Arise, Sir Lester.

Gerry O'Brien

Lester Piggott is led into the winners' enclosure at Newmarket on Shadeed after winning the 2,000 Guineas in May—his 29th classic victory

Private View

Bed-bound battle for box

THE NIGHT I nearly watched *The Money Programme* for the price of six Rich Tea biscuits will go down as my abiding memory of seven weeks in London's Hammersmith Hospital. Perhaps bribe is putting it too strongly; but the fellow patient who hobbled over to the television set did share my biscuits, and he tried his best; but somebody remembered *Albion Market* and we were back to the real, harsh world of soap.

Lying in bed in traction is not the best way of coping with life's simple necessities. "If you've nothing better to do, twiddle your toes," advised the physiotherapist. It helps to strengthen the bed-bound legs but does little for the thinking man.

I was fortunate. The ward television set was a few yards away from my bed and I had contact with the real world.

And what contact it was. I don't think I have been so dominated by the Great Box since the days of Muffin the Mule and newsreaders in dinner jackets. But looking back, I don't know what I would have done without it. I read about 100 books in the seven weeks but the set was the only visual link for me — and the 20 or so other patients — with the big world outside. Radio is valuable, but just a voice in the dark. It is even pleasant to see that there is still a Thatcher and a Kinnock out there somewhere.

Is television therapeutic? I know the Beeb and the IBA would even claim to be in the healing business. But to be able to watch the world go by for a lot of hours a day seemed a vast improvement on the days when sincere, well-meaning ladies encouraged the bed-bound to make rugs or crochet.

I can highly recommend the hospital TV course for an essay in democracy in action. Think of the vast problems. It is bad enough forthe ordinary family of four with only one set to decide who watches, what and when; but with 20 or more injured men, at least seven of whom can at any given time hobble to the channel switch, the possibilities are many.

You must first learn the rules and guidelines. It is useless for a bed-bound man to push his choices vociferously. In the country of the blind, the one-eyed man is king. In the room of the fractured, the weel chair and crutches chaps are in command.

We were lucky. We had two Johns. John I (artificial leg, wheelchair) had the bed nearest the set and he could almost reach out for the channel switch John II (both legs in plaster) was the smoothest wheelchair-driver I have ever seen. His journey between beds and trolleys to swap his Express for my Times would have stirred the pulse of any rally driver.

How did it all work out? We were a pretty fair cross-section of the male population: a retired naval lieutenant-commander, a Trust House Foret chef, several building workers, a journalist and even (for a couple of days) a prisoner from Wormwood Scrubs just down the road, guared by two friendly prison officers. Mostly, we got what we wanted by negotiating and the courtesy of the two Johns.

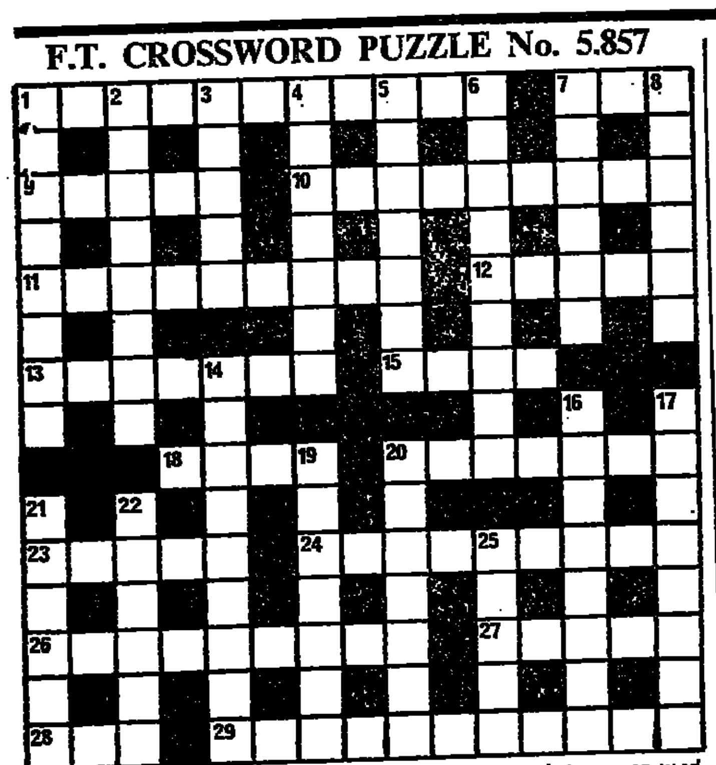
The worst of it was the quiz shows. They were musts. We watched everyone, from the Forsyth's *Play Your Cards Right* and Ted Rogers' *Three Two One* to the more intelligent like *Blockbusters*. It was baffling to see men with broken limbs and wonky hips grow misty-eyed over the clean-cut young couple winning a honeymoon cruise down the Nile. The nearest thing to a race I have seen between a wheelchair and a man on crutches was to get *Juliet Bravo* off.

At the cost of being accused of flag-waving, I must say that my seven weeks proved again the innate good sense and tolerance of the British; and the patience, skill and guile of British nurses. When the set blared too loud, a nurse would wander delicately from the other end of the ward, switch it well down with a smile and go off, knowing full well that five minutes later one of the Johns would turn it up again, but not as loud as before.

In the end, we all got what we wanted. As an old movie buff, I saw more of them than I do at home. There was even that permissive night when the benign nurse allowed us to have the set on well after lights-out to watch the whole of *The Third Man*; and I did actually see *The Money Programme* once before I was plunged back into everyday life. But if you didn't push your individual choice firmly, though politely, it was permanent Channel 3.

Alan Forrest

F.T. CROSSWORD PUZZLE No. 5,857



Prizes of £10 each for the first five correct solutions opened. Solutions to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.

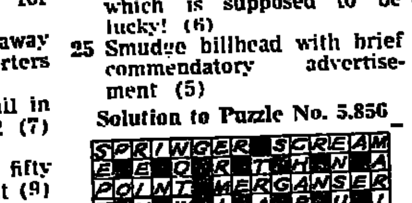
ACROSS

1 A formal request for hard work (11)
7 It's the Bishop's place to understand (3)
9 Be professional before there's a thorough investigation (5)
10 After dining out Emmet is feeling angry (9)
11 Break news to everyone on block (9)
12 Silent act played with sex-appeal (5)
13 Sweet Fleur is prepared to take the fathead in after Tuesday 1st (7)
15 Coming back, notice me going round looking for something to eat (4)
18 Injury sustained way away from the women's quarters (4)
20 Cook fries a horse's tail in it, which is a bloomer! (7)
23 Expect a delay (5)
24 Carelessly wrote about fifty B.B.C. reds I turned out (9)
26 Fish behind the tap for an insect (9)
27 Marriage taking place after mid-January, back at home (5)
28 Left it burning (3)
29 He may sell cars, or just part of one (11)

DOWN

1 Appropriate a couple of pence to ring and locate something (8)
2 See rascal outside after cup final or preliminary event (8)
3 She gets the engineers in around the start of Easter (5)
4 Encourage back in a newly-formed team (7)
5 Pamper, after terrible din, the union leader with a broken leg (7)
6 Traffic crashed into gate on the first evening (9)
7 Suddenly remove the music centre, naturally (6)
8 Note condition of property (6)
14 Deter rebuilding after the apartment is insincerely praised (9)
16 Perhaps Tim's pal's David? (8)
17 His job is to develop the plot (8)
19 His new entry into the charts leads to accidents (7)
20 In addition, the Russian leader takes the fur wrapped round it (7)
21 The leading politician upset Clare a lot (6)
22 The man goes up to bed, which is supposed to be lucky! (6)
25 Smudge billhead with brief commendatory advertisement (5)

Solution to Puzzle No. 5,856



SOLUTION OF PUZZLE 5,851

TELEVISION AND RADIO

SATURDAY

† Indicates programme in black and white

BBC 1

8.30 am What-A-Mess. 8.35 Children of Fire Mountain. 9.00 Saturday Superstore. 12.15 Grandstand, including 1.00 News Summary: Football Focus with Bob Wilson: Boxing from London: Snooker (Rothmans Grand Prix): Racing from Newbury at 2.00, 2.30 and 3.00; Tennis (The Pretty Polly Classic) and at 4.40 Classified Results.

5.05 News. 5.15 Regional programmes. 5.20 The Tripods. 5.45 Terry and June. 6.15 The Noel Edmonds Late Late Breakfast Show. 7.05 Bob's Full House. 7.40 Juliet Bravo. 8.30 The Paul Daniels Magic Show. 9.15 News and Sport. 9.30 Murder One: "One Shoe Makes It Murder," starring Robert Mitchum with Angie Dickinson. †11.15 Saturday Movie Classic: "Now Voyager," starring Bette Davis, Paul Henreid and Claude Rains.

BBC 2

12.15-1.30 pm Open University. †1.55 Saturday Cinema Double Bill: "Desperate," and at 3.05 "Odds Against Tomorrow," starring Harry Belafonte. 4.40 Snooker. 6.00 Duetsch Direkt! 6.25 World Chess Championship. 6.55 The 20th Century Remembered. 7.25 News and Sport. 7.40 Saturday Review. 8.30 Rattle on Stravinsky. 9.30 Harty Goes To Liverpool. 10.00 Snooker (Conclusion of the best of 17 frames semi-finals in the Rothmans Grand Prix). 11.30-12.25 am Tennis (Highlights from the semi-finals in the Pretty Polly Classic).

LONDON

6.55 am TV-am Breakfast Programme. 9.25 TX. 11.00 The Baron. 12.00 News. 12.05 pm Saint & Greavsie. 12.30 Wrestling. 1.20 Airwolf. 2.15 Boxing (European Light-Welterweight Championship). 4.15 Benson. 4.45 Results Service. 5.00 News. 5.05 Blockbusters. 5.35 The A-Team. 6.30 Child's Play. 7.00 Game For A Laugh. 7.45 3-2-1. 8.45 Dempsey and Makepeace. 9.45 News and Sport. 10.00 Movie Premiere: "Rearview Mirror," starring Lee Remick. 11.45 LWT News Headlines followed by Farm Aid—Part 2. 1.15 am Police Squad. 1.40 Night Thoughts with Dr Cormac Rigby.

CHANNEL 4

1.15 pm Murun Buchstansangur. 1.20 Channel 4 Racing from Doncaster. †3.15 "Patterns." 4.20 American Short Story. 5.05 Brookside Omnibus. 6.00 Family Ties. 6.30 Hannibal's Footsteps. 7.05 News Sumery followed by 7 Days. 7.30 Union World.

8.00 Beats of the Heart. 9.00 Upstairs, Downstairs. 10.00 Hill Street Blues. 11.00 An Audience with Billy Connolly. †12.00 "The Boogie Man Will Get You," starring Peter Lorre, Boris Korloff, Maxie Rosenbloom and Larry Parks.

S4C WALES

11.00 am Cynhadledd '85: Plaid Cymru—Caergybi. 1.20 pm Racing from Doncaster. 3.15 Cynhadledd '85 Plaid Cymru—Caergybi. 4.15 Roy and Bob. 5.00 Gardeners' Calendar Roadshow. 5.30 Upstairs, Downstairs. 6.30 Pytiau. 7.00 Newyddion. 7.15 Ar Y Ffordd. 7.45 Taro Bargen. 8.15 Chateauvallon. 9.15 Y Maes Chwarae. 10.35 Beats Of The Heart. †11.35 Feature Film: "Mad Love," starring Peter Lorre with Francis Drake.

REGIONS

ANGLIA

IBA Regions as London except at the following times:

11.05 am Otherworld. 4.15 pm Small Wonder. 10.00 Movie Premiere: "American Gigolo," stars Richard Gere, Lauren Hutton, Nina Van Pallandt and Hector Elizondo. 12.10 am That's Hollywood. 12.40 At The End Of The Day.

An Arjuaco, Indian in Beats of the Heart, Channel 4, 8 pm

BORDER

11.00 am Otherworld. 4.15 pm Small Wonder. 10.00 Movie Premiere: "American Gigolo" (Richard Gere stars).

CENTRAL

11.00 am Chips. 4.15 pm Small Wonder. 10.00 Movie Premiere: "American Gigolo," starring Richard Gere and Lauren Hutton.

CHANNEL

11.00 pm Puffin's Pla(i)ce. 11.10 Tarzan. 11.59 Channel Islands Weather Summary. 4.15 pm Small Wonder. 5.05 Puffin's Pla(i)ce. 5.10 Blockbusters. 10.00 Movie Premiere: "American Gigolo." 12.10 am No Problem!

GRAMPIAN

11.00 am Flintstone Special. 11.30 Fireball XL5. 4.15 pm Small Wonder. 10.00 Movie Premiere: "American Gigolo," starring Richard Gere, Lauren Hutton and Hector Elizondo. 12.10 am Studio One in Concert—"James King." 12.40 Reflections.

GRANADA

11.05 am Otherworld. 4.15 pm Diff'rent Strokes. 10.00 Movie Premiere: "American Gigolo," starring Richard Gere and Lauren Hutton. 12.10 am All Star Country and Western.

HTV

11.05 am Otherworld. 11.58 HTV News. 4.15 pm Happy Days. 10.00 Movie Premiere: "American Gigolo," starring Richard Gere and Lauren Hutton. 12.10 am Party, with the Rovers.

SCOTTISH

11.00 am Canadian Wildlife. 11.15 The Glen Michael Cavalcade. 4.15 pm Small Wonder. 5.35 Knight Rider. 10.00 Movie Premiere: "American Gigolo," starring Richard Gere, Lauren Hutton and Nina van Pallandt. 12.10 am Late Call.

TSW

11.00 am Gus Honeybun's Magic Birthdays. 11.03 Freeze Frame. 11.57 TSW Regional News. 4.15 pm Small Wonder. 5.05 Newsport. 5.10 Blockbusters. 10.00 Movie Premiere: "American Gigolo," starring Richard Gere and Lauren Hutton. 12.10 am No Problem. 12.40 Postscript. 12.45 South West Weather and Shipping Forecast.

TVS

11.00 am The Fantastic Four. 11.25 Dreams. 11.57 TVS Weather, 4.15 pm Small Wonder. 10.00 Movie Premiere: "American Gigolo," starring Richard Gere and Lauren Hutton. 12.10 am Freeze Frame: A look at the heavy metal band Iron Maiden. 12.40 Company.

TYNE TEES

11.00 am Morning Glory. 11.05 Chips. 10.00 pm Movie Premiere: "American Gigolo." 12.10 am Poet's Corner.

ULSTER

11.58 am Lunchtime News. 4.15 pm Small Wonder. 4.55 Sports Results. 5.03 Ulster News. 9.57 Ulster News. 10.00 Feature Film: "American Gigolo," starring Richard Gere and Lauren Hutton. 12.05 am News at Bedtime.

YORKSHIRE

11.05 am The Greatest American Hero. 4.15 pm Small Wonder. 10.00 Movie Premiere: "American Gigolo," starring Richard Gere with Lauren Hutton and Nina van Pallandt. 12.10 am Festival Folk.

RADIO

(S) Stereo on VHF

BBC 2

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm The News Huddlines. 1.30 Sport on 2 including Football, Tennis (the Pretty Polly Classic), Racing from Doncaster, at 2.25 and 2.55: Snooker (the Rothmans Grand Prix). Rugby union results, golf news from Barcelona and boxing from Monte Carlo and at 5.00 Sports Report. 6.00 Folk On 2. 7.00 Jazz Score. 7.30 Gala Concert (S). 9.30 String Sound (S). 10.05 Martin Kelner (S). 12.05 am Night Owls (S). 1.00 Bill Rennells (S). 3.00-4.00 A Little Night Music (S).

BBC RADIO 3

7.00 am News. 7.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Domenico Scarlatti (S). 12.35 pm Beethoven: Jerome Rose (piano) plays the Appassionata sonata (S). 1.00 News. 1.05 Heinrich Schutz (S). 1.35 English Fancies (S). 2.00 From the Heart of Europe (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Music for the Iron Voice (S). 7.05 Out on the Balcony. 7.30 Sibelius: Paavo Berglund conducts the Royal Philharmonic Orchestra direct from the Royal Festival Hall, London, Part 1: Violin Concerto (with Joseph Swensen) (S). 8.05 A Permissive Society: Prof Keith Hopkins reflects on incest in Roman Egyptian society. 8.25 Sibelius, part 2: Symphony: Kulervo (S). 9.45 Rose-Coloured Teacups. 10.00 Tippett: Words and Music (S). 11.00 Parry (S). 11.45 Domenico Scarlattai (S). 11.57-12.00 News.

BBC RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth. 7.55 Weather: Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4 with Tony Lewis. 8.43 Yesterday in Parliament. 8.57 Weather: Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Pick of the Week (S). 11.30 From Our Own Correspondent. 12.00 News: Money Box. 12.27 pm The News Quiz (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News: The Afternoon Play (S). 3.00 News. International Assignment. 3.30 The Saturday Feature: "The Tabernacle in the Desert." 4.15 Homeing In (Do-it-Yourself advice). 4.45 The Music of Work. 5.00 Wildlife (S). 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather: Travel. 6.00 News: Sports Round-up. 6.25 Actuality. 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.45 In Search of Garibaldi's Head. 9.58 Weather. 10.00 News. 10.15 Evening Service (S). 10.30 Soundings. 11.00 Science Now. 11.30 The Wow Show (S). 12.00-12.15 am News.

SUNDAY

† Indicates programme in black and white

BBC 1

8.55 am Play School. 9.15 Articles of Faith. 9.30 This is the Day. 10.00 Asian Magazine. 10.30 Digemel 10.55 Deutsch Direkt! 11.20 Tele-Journal. 11.45 Blizzard's Wonderful Wooden Toys. 12.10 pm See Hear! 12.35 Farming including 12.58 Weather News for Farmers. 1.00 This Week Next Week. 1.55 Cartoon. 2.00 EastEnders. 3.00 Cartoons. 3.10 Adventure Matinee: "The Prisoner of Zenda," starring Stewart Grainger, James Mason and Deborah Kerr. 4.50 Moment of Truth.

5.20 The Queen in the Caribbean (Part 2). 5.50 Oliver Twist. 6.20 Virginia McKenna appeals on behalf of Elizabeth Fitzroy Homes. 6.25 News. 6.35 Songs of Praise from Detroit, U S A. 7.15 Hi-De-Hi! 7.45 Howards' Way. 8.35 Last of the Summer Wine. 9.05 Whicker's World. 10.00 News. 10.15 Everyman: "Woza Albert!" 11.05 Mozart—His Life with Music. 11.55 Tennis: The Pretty Polly Classic.

BBC 2

2.00 pm Rugby Special (Bedford v Broughton Park). 2.30 Snooker and Tennis. 4.40 Contemporary Mozart. 5.20 Thinking Aloud. 6.00 News Review. 6.30 The Money Programme. 7.15 The Natural World. 8.05 Harry Goes to Liverpool. 8.35 Theatre Night: Molière, or The Union of Hypocrites (Bulgakov's play with Anthony Sher as Molière). 10.35-1.00 am Snooker (Conclusion of the 19-frame final of the Rothmans Grand Prix).

LONDON

6.55 am TV-am Breakfast Programme. 9.25 Wake Up London. 9.35 Woody and Friends. 9.45 Augie Doggie. 10.00 Morning Worship. 11.00 Link. 11.30 Ulster Landscapes. 12.00 Weekend World. 1.00 pm Police 5. 1.15 The Smurfs. 1.30 Happy Days. 2.00 The Human Factor. 2.30 LWT News Headlines followed by †"The Navy Lark" starring Leslie Phillips, Gordon Jackson, Hattie Jacques, Ronald Shiner, Cecil Parker and Cardew Robinson. 4.00 Stookie. 4.30 Bullseye. 5.00 Sunday Sunday. 6.00 Albion Market. 6.30 News. 6.40 Highway. 7.15 Bruce Forsyth's Play Your Cards Right. 7.45 Live from Her Majesty's presented by Jimmy Tarbuck with George Benson, Lena Zavaroni, Stu Francis, Wayne Dobson, Allan Stewart, Johnny Nash. 8.45 All Star Secrets. 9.15 Tales of the Unexpected. 9.45 News. 10.00 A Fine Romance. 10.30 The South Bank Show (a workshop with the Theatre of Comedy). 11.30 LWT News Headlines followed by South of Watford. 12.00 American Documentary. 12.55 am Night Thoughts with Deaconess Anne Jennings.

CHANNEL 4

1.05 pm Irish Angle presents Hands. 1.30 Face the Press. 2.00 Pob's Programme. 2.25 "Beyond the Blue Horizon" starring Dorothy Lamour. 3.50 "The Fabulous Adventures of Baron von Munchauson." 5.15 News Summary followed by the Business Programme. 6.00 American Football. 7.15 The Heart of the Dragon. 8.15 The Jewel in the Crown. 9.15 "Every Picture Tells a Story." †10.50 "Casque D'Or" starring Simone Signoret with Serge Reggiani and Claude Dauphin.

S4C WALES

1.50 pm Union World. 2.20 The People Trade. 2.50 Henry Cooper's Golden Belt. 3.50 Coping. 4.20 English Silk. 5.15 The Business Programme. 6.00 American Football. 7.10 Hanner Dwsin. 7.20 Newyddion. 7.30 Trebor. 8.00 Rhaglen hywel gwynfryn. 8.35 Dechrau canu, dechrau canmol. 9.05 Sawcer.

REGIONS

IBA Regions as London except at the following times:

ANGLIA

9.30 At Home With . . . British architect Ian McCallum. †1.00 pm The Beverly Hillbillies. 1.25 Weather Trends. 1.30 Farming Diary. 2.30 Sunday Cinema: "The Four Musketeers" starring Oliver Reed, Michael York, Frank Finley, Richard Chamberlain, Raquel Welch, Faye Dunaway and Charlton Heston. 4.30 Stookie. 5.00 Candid Camera. 5.30 Bullseye. 11.30 No Porblem. 12.00 The Jazz Life featuring Art Blakey and the Jazz Messengers. 12.30 am Return to St Helena.

Antony Sher in Molière, BBC2, 8.35pm

BORDER

9.25 am Gardening Time. 9.55 Border Diary. 1.00 pm Fireball XL5. 1.30 Farming Outlook. 2.30 Wild, Wild World of Animals. 2.55 Scotsport. 5.00 Stookie. 5.30 Bullseye.

CENTRAL

9.25 am The Adventures of the Mouse on Mars. 9.30 Captain Scarlet and the Mysterons. 1.00 pm Gardening Time. 1.30 Here and Now. 2.30 The Weekend Matinee: "Will Penny" starring Charlton Heston, Donald Pleasance and Joan Hackett. 4.30 Stookie. 5.00 Whose Baby? 5.30 Bullseye. 11.30 London Calling.

CHANNEL

12.25 pm Today's Weather. 12.26 Starting Point. 12.30 Getting On. 1.00 Gardens For All. 1.30 Breakthrough. 2.30 Sunday Matinee: "Bronk." 4.00 Bullseye. 4.30 Puffin's Pla(i)ce. 4.33 Falcon Crest. 5.30 Athletics. 6.26 Channel News Headlines. 11.30 Quincy.

GRAMPIAN

9.25 am Cartoon. 9.30 Fangface. 10.00 Sesame Street. 1.00 pm Farming Outlook. 1.30 Horses for Courses. 2.30 The Pruitts of Southampton. 2.55 Scotsport. 5.00 Stookie. 5.30 Bullseye. 11.30 Function Room. 12.00 Reflections.

GRANADA

9.25 am The Wonderful Stories of Professor Kitzel. 9.35 The Sea in Their Blood. 11.00 Ulster Landscapes. 11.25 Aap Kaa Hak. 11.30 This is Your Right, with Michael Winstanley. 1.00 pm Small Wonder. 1.30 The Fall Guy. 2.30 Sunday Matinee: "George and Mildred" starring Yootha Joyce and Brian Murphy. 4.00 The Human Factor. 4.30 Stookie. 5.00 Candid Camera. 5.30 Bullseye. 11.30 Man in a Suitcase.

HTV

9.25 am The Get Along Gang. 9.50 Science International. 1.00 pm The Protectors. 1.30 Farming Wales followed by Weather for Farmers. 2.00 "Anastasia." 4.00 The Human Factor. 4.30 Stookie. 5.00 Candid Camera. 5.30 Bullseye 6.36 HTV News. 11.30 The Streets of San Francisco.

SCOTTISH

9.25 am Adventures of the Mouse on Mars. 9.30 Ulster Landscapes. 10.00 Sesame Street. 11.30 The Human Factor. 1.00 pm Village of the Rain Forests. 1.30 Farming Outlook. 2.00 No Easy Answer. 2.30 The Harlem Globetrotters. 2.55 Scotsport "Skol League Cup Final"—Aberdeen. 5.00 Stookie. 5.30 Bullseye. 11.30 Late Call. 11.35 The New Avengers.

TSW

9.25 am Link followed by South West Link. 11.00 Ulster Landscapes. 11.25 Look and See. 11.30 The South West Week. 1.00 pm Gardens For All. 1.30 Farming News. 2.00 The Human Factor. 2.30 The Sunday Matinee: "Bronk," staring Jack Palance. 4.00 Bullseye. 4.30 Stookie. 5.00 Gus Honeybun's Magic Birthdays. 5.03 Falcon Crest. 1.30 The South West Week. 12.00 Postscript.

TVS

9.25 am Action Line. 9.40 Cartoon Time. 1.00 pm Agenda. 1.30 Farm Focus. 2.00 Candid Camera. 2.30 Swashbucklers: "The Black Swan" starring Tyrone Power and Maureen O'Hara. 3.55 Diff'rant Strokes. 4.25 TVS News. 4.30 Stookie. 5.00 The Human Factor. 5.30 Bullseye. 11.30 Man in a Suitcase. 12.30 am Company.

TYNE TEES

9.25 am Morning Glory. 9.30 Link. 11.00 Ulster Landscapes. 11.25 Sunday Lookaround. 11.30 Batman. 1.00 pm Farming Outlook. 1.30 Batman. 2.30 Mr Smith. 3.00 "Cheaper by the Dozen." 4.30 Stookie. 5.00 Small Wonder. 5.30 Bullseye. 11.30 Epilogue.

ULSTER

10.45 am Advice with Anne Hailes. 11.00 Link. 12.58 pm Lunchtime News. 1.00 Farming Ulster. 1.28 Farming Weather. 1.30 Bygones. 2.30 Sunday Cinema: "Will Penny," starring Charlton Heston and Lee Majors. 4.30 Stookie. 5.00 Short Story Theatre. 5.30 Bullseye. 6.38 Ulster News. 9.57 Ulster News. 11.30 Sports Results. 11.35 Festival Folk. 12.00 News at Bedtime.

YORKSHIRE

9.25 am Regional Weather Forecast followed by Link. 11.00 Ulster Landscapes. 11.30 Farming Diary followed by Farming and Inshore Weather. 1.00 pm Man in a Suitcase. 2.30 Sunday Cinema: "The Four Musketeers" starring Raquel Welch, Oliver Reed, Faye Dunaway and Richard Chamberlain. 4.30 Stookie. 5.00 The Protectors. 5.30 Bullseye. 11.30 No Problem! 12.00 Five Minutes.

RADIO

(S) Stereo on VHF

BBC 2

7.30 am Good Morning Sunday (S). 9.00 Melodies For You (S). 11.00 Desmond Carrington with your Radio 2 All-time Greats (S). 1.00 pm David Hamilton Presents Two's Best (S). 2.00 Benny Green (S). 3.00 Alan Dell with Sounds Easty (S). 4.00 The Random Jottings of Hinge and Bracket (S). 4.30 Sing Something Simple (S). 5.00 Charlie Chester with Your Sunday Soapbox. 7.00 Vilem Tausky presents some of his favourite music with guest Marilyn Hill Smith. 7.30 A Box at the Opera. 8.30 Sunday Half-Hour. 9.00 Your Hundred Best Tunes introduced by Alan Keith. 10.05 Songs from the Shows. 10.45 Harold Rich at the Piano. 11.00 Sounds of Jazz. 1.00 am Bill Rennels presents Nightride. 3.00-4.00 A Little Night Music (S).

BBC RADIO 3

7.00 am News. 7.05 Mozart String Quartets (S). 8.00 Bach Cantatas 1724 (S). 8.20 Tchaikovsky Piano Music played by Lydia Artimiw and Sviatoslav Richter. 9.00 News. 9.05 Your Concert Choice. 10.30 Music Weekly (S). 11.15 Smetana Quartet (S). 12.15 pm Bavarian Radio Symphony Orchestra, part 1 (S). 12.50 Words. 12.55 Bavarian Radio SO, part 2 (S). 2.00 Stravinsky and Shostakovich (S). 2.40 La Petite Bande (S). 3.20 Dang Thai Son, piano recital (S) (4.05 Interval Reading.) 4.40 Bach on Record (S). 5.15 The Star Wars History. 6.00 Tippett: Words and Music: The Opera "The Knot Garden" conducted on records by Sir Colin Davis (S). 7.30 "The Road from Kymmendo Bay" by Michael Stirling (S). 9.00 London Philharmonic Orchestra, deferred relay from the Royal Festival Hall, London, part 1: Beethoven Piano Concerto No 5 (with Brendel) (S). 9.40 Collectors' Items. 9.45 Concert, part 2: Liszt's Faust Symphony (S). 11.00 Corelli and Handel (S). 11.57-12.00 News.

RADIO 4

8.00 am News. 8.10 Sunday Papers. 8.15 Sunday. 8.50 Joss Ackland talks for the Week's Good Cause about The Shaftesbury Society. 8.55 Weather; Travel. 9.00 News. 9.10 Sunday Papers. 9.15 Letter from America by Alistair Cooke. 9.30 Morning Service. 10.15 The Archers. 11.15 The Colour Supplement. 12.55 Weather. 1.00 pm The World This Weekend. 1.55 Shipping Forecast. 2.00 News: Gardeners' Question Time. 2.30 The Afternoon Play (S). 4.00 News; Rebels (portrait of the writer Joe Orton). 4.30 The Living World. 5.00 News: Travel. Down Your Way visits Wellington in Somerset. 5.50 Shiping Forecast. 5.55 Weather. 6.00 News. 6.15 A Wolf in Frog's Clothing. 6.30 Bookshelf. 7.00 Travel; Raffles. 7.30 In Praise of God. 8.05 Law in Action. 8.30 A Word in Edgeways. 9.00 News: Shirley (S). 9.58 Weather. 10.00 News. 10.15 Living at Full Flame (S). 11.00 Searching for God. 11.15 Talk of the Town. Talk of the Country (S). 11.45 John Morgan on Mining. 12.00-12.15 am News.